

Mr. LA FOLLETTE. Mr. President, I feel constrained to make the point of order that that amendment is legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BYRNES. Mr. President, notice of a motion to suspend the rules is on the desk.

The PRESIDING OFFICER. The notice will be read.

The Chief Clerk read as follows:

Mr. BYRNES submitted the following notice in writing:

"In accordance with the provisions of rule 40 of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, the following amendment, viz: At the proper place, to insert the following:

"Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C. 13, 16)."

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend paragraph 4 of Rule XVI.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, let me inquire if this matter will lead to discussion. It is now after 5 o'clock, and the Senate will have to meet tomorrow.

Mr. LA FOLLETTE. I withdraw the point of no quorum.

Mr. BARKLEY. I think the session might as well go over until tomorrow. We have to meet then, anyway, and it is now after 5 o'clock.

The PRESIDING OFFICER. The point of no quorum is withdrawn.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Acting Asst. Surg. John D. Lane, Jr., to be passed assistant surgeon in the United States Public Health Service, to take effect from date of oath.

Mr. HARRISON, also from the Committee on Finance, reported favorably the nominations of the following passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Albert T. Morrison, February 1, 1939, and Langdon R. White, March 9, 1939.

Mr. GERRY, from the Committee on Finance, reported favorably the nomination of Joseph J. Cunningham, of North Providence, R. I., to be collector of customs for collection district No. 5, with headquarters at Providence, R. I. (Reappointment.)

Mr. HERRING, from the Committee on Finance, reported favorably the nomination of Mabel Gittinger, of Iowa, to be collector of customs for customs collection district No. 44, with headquarters at Des Moines, Iowa. (Reappointment.)

The PRESIDING OFFICER (Mr. Lucas in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

#### THE JUDICIARY

The legislative clerk read the nomination of Herschel W. Arant, of Ohio, to be judge for the Sixth Circuit Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edmund J. Brandon, of Massachusetts, to be United States attorney for the district of Massachusetts.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John T. Cahill, of New York, to be United States attorney for the southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the Executive Calendar.

#### RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 22, 1939, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate on February 21 (legislative day of February 20), 1939*

##### UNITED STATES CIRCUIT COURT OF APPEALS

Herschel W. Arant to be judge of the United States Circuit Court of Appeals for the Sixth Circuit. (Position created by act of May 31, 1938.)

##### UNITED STATES ATTORNEYS

Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

Edmund J. Brandon to be United States attorney for the district of Massachusetts.

John T. Cahill to be United States attorney for the southern district of New York.

##### POSTMASTERS

###### ILLINOIS

Jessie E. Robertson, Buffalo.

###### MASSACHUSETTS

Robert E. Smith, Townsend.

###### SOUTH CAROLINA

Walter W. Goudelock, Pacelot Mills.

###### VERMONT

Ernest A. Naylor, Alburg.

Peter E. Kehoe, West Pawlet.

###### WASHINGTON

Pearl G. M. Johnson, Mercer Island.

Eudocia B. Leech, Steilacoom.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 21, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

*They that trust in the Lord are as Mount Zion, which cannot be moved, but abideth forever. As the mountains are round about Jerusalem, so the Lord is round about His people, from this time forth and for evermore.*

Remind us, blessed Father, that the secret of a true life is in Thee. Thou wilt fill the sphere of life with beauty and fruitfulness, with vision and victory. We pray Thee to enable us to bring character to its highest unruffled temper, unrumored patience, charity that thinketh no evil, and cleanness of life as modest as it is unblemished. May we rise and set our affections on things above the earth. We praise Thee that love is written on the sunbeams of every morning. Wilt Thou bless us and prepare us for this day? In the sacred name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had ordered that Mr. TAFT be appointed a member on the part of the Senate of the Gen. Anthony Wayne Memorial Commission, established by Public Resolution 64, approved August 19, 1937, vice Mr. VANDENBERG, resigned.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 303. An act for the relief of The Ocilla Star;

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia;

S. 463. An act for the relief of The Fitzgerald Leader;

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.; and

S. 1315. An act for the relief of the Corbitt Co.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair has been requested to recognize two or three gentlemen to submit unanimous-consent requests. Will the gentleman from Massachusetts withhold his motion for that purpose?

Mr. MARTIN of Massachusetts. Surely.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on next Thursday following the disposition of matters on the Speaker's table and the legislative program for the day.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, we came here at 11 o'clock for the purpose of transacting business. I do not know the purpose or the subject of the gentleman's talk. Could the gentleman tell us what he intends to speak about?

Mr. FERGUSON. I have introduced a bill dealing with the Federal Reserve System. I think it is pertinent at this time due to the fact that we are extending the Reconstruction Finance Corporation.

Mr. MARTIN of Massachusetts. The Reconstruction Finance Corporation has already been extended, so the gentleman's speech will be just as timely tomorrow as today.

Mr. FERGUSON. It is the gentleman's privilege to object, of course.

Mr. MARTIN of Massachusetts. We came here at 11 o'clock to do business. Mr. Speaker, I feel constrained to object.

The SPEAKER. Objection is heard.

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, the other day I called attention to the manner in which the W. P. A. was trying to build up its rolls so as to make a record for the \$150,000,000 that they

have tried to hornswoggle Congress out of. I call attention to an article in the Cleveland Plain Dealer of February 17, and read from it the following:

#### FINDS 51 PERCENT NEGLECT LATEST W. P. A. CALLS

(By John P. Leacacos)

It can be further reliably reported that W. P. A., in addition to setting its house in order by increased stringency of regulations and its current investigation into the eligibility of W. P. A. workers, has also been urging the city speed its certification process so that all in need may be placed on record.

The reason for this, it is said, lies in the fact that only if the cities demonstrate their need of W. P. A., as evidenced in bulging waiting assignment lists, can President Roosevelt sell a hostile Congress on the necessity of another deficiency appropriation to forestall drastic cuts this spring.

In the 2-week survey of assignments, begun when the rolls stood at 68,429, there were 1,705 dismissals and immediate replacements of these and a rise in the rolls to 69,035, a net increase of 606.

#### TWO THOUSAND FOUR HUNDRED AND TWELVE FAILED TO REPORT

This made 2,311 new jobs that were available and were filled. However, to place this number at work required the issuing of assignment slips to 4,723 persons. Of these, 2,412 simply never showed up.

The reasoning behind the assertion that probably 3,000 of the 10,317 persons on the waiting assignment file will never report for work is this, according to Schwartz:

The file is made of five-thousand-odd men and five-thousand-odd women. Women, finding it much more difficult to obtain private employment, will probably report for work in the majority of cases, if given jobs. It is estimated at least 4,500 will do so.

The number of men who will report, however, is estimated at only 2,500. This follows the percentage figure discovered in the survey of actual assignments, most of whom were men. This makes about 7,000 in all who would probably take W. P. A. jobs, if offered.

It thus appears that Cleveland had a roll of 69,035 paid by W. P. A. They have in 2 days investigated 6,000 cases, or 9 percent. They have found over 1,700 out of the 6,000 who did not belong on the roll, or 28 percent.

Just as the unqualified are dismissed they ask those certified by the city to appear, and 51 percent of those certified failed to appear.

Taken on the same basis through the country, if 28 percent should be dismissed because they do not belong on the roll, that would eliminate at least \$50,000, and now at once reduce the number on the W. P. A. rolls to about 2,200,000, and we would have \$150,000,000 surplus to turn back out of the W. P. A. appropriation on July 1, next, instead of requiring a deficiency of that amount.

The most astounding thing is the great effort the W. P. A. administrators are making to fill up their rolls now before Congress finds out the truth and insists on getting rid of this gigantic W. P. A. fraud and having honest relief.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include quotations from the newspapers to which I referred.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I delivered over the Columbia Broadcasting System last Saturday; and I also ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from a man by the name of Fred Mercer, Glendale, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### ANNOUNCEMENT

Mr. BULWINKLE. Mr. Speaker, all war veterans in the House—veterans of the World War, the Spanish-American War, and the Civil War—are asked to meet in the room of the Veterans' Committee Thursday at 10 o'clock.



## PERMISSION TO ADDRESS THE HOUSE

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, the gentleman's request embarrasses me. Everyone knows that during the Seventy-fifth Congress the policy was adopted of allowing Members to proceed for 1 minute only before the legislative business of the day was disposed of. I shall have no objection to the gentleman's addressing the House for 1 minute, but I hope he will not ask for longer time.

Mr. FERGUSON. Mr. Speaker, I amend my request accordingly and ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein copy of a bill (H. R. 4310) to amend section 13 of the Federal Reserve Act, as amended, which I have introduced, together with the existing section of the Federal Reserve law which I seek to amend.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. FERGUSON]?

There was no objection.

Mr. FERGUSON. Mr. Speaker, the reason I address the House at this time is to state that I wanted to ask the chairman of the Banking and Currency Committee yesterday if in his opinion the Federal Reserve System had functioned and made loans to banks just as the R. F. C. made them after they got into a depressed condition, which would have averted the closing of thousands of banks? I did not have this opportunity, but I feel certain the chairman of the Banking and Currency Committee would have answered in the affirmative.

I recently received in my office the Twenty-fifth Annual Report of the Board of Governors of the Federal Reserve System. As a director in a small country bank that went through the depression following the crash of 1929, a bank that became a member of the Federal Deposit Insurance Corporation and has recently become a member of the Federal Reserve System, I read this report with a great deal of care. And after reading the report, feeling the need of changing the Federal Reserve System by making mandatory the use of the discount powers of the Federal Reserve System, I have introduced H. R. 4310, which I feel will accomplish this purpose. I want to place in the RECORD the bill which I have introduced, H. R. 4310, and a copy of section 13 of the Federal Reserve Act, as amended, so that the membership may note the changes in the bill.

[H. R. 4310, 76th Cong., 1st sess.]

*Be it enacted, etc.,* That section 13 of the Federal Reserve Act, as amended (U. S. C., 1934 ed., Supp. IX, title 12, sec. 343), is amended to read as follows:

"SEC. 13. DISCOUNT OF OBLIGATIONS ARISING OUT OF ACTUAL COMMERCIAL TRANSACTIONS.—Upon the endorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own endorsement exclusively, any Federal Reserve bank shall discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, including notes secured totally or in part by real-estate mortgages of any description. The Board of Governors of the Federal Reserve System shall accept for rediscount at face value any note classified in group I (all notes shall be classified under group I, if ultimate

[U. S. C., 1934 ed., Supp. IX, title 12, sec. 343]

SEC. 343. DISCOUNT OF OBLIGATIONS ARISING OUT OF ACTUAL COMMERCIAL TRANSACTIONS.—Upon the endorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own endorsement exclusively, any Federal Reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this chapter. Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple ag-

[H. R. 4310, 76th Cong., 1st sess.]—Continued

repayment seems reasonably assured in view of the sound net worth of the maker or endorser, his earning capacity and character, or the protection of collateral or other security of sound intrinsic value), at the last official examination made by examiners duly appointed by the Comptroller of the Currency with the approval of the Secretary of the Treasury. Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 2 years, exclusive of grace.

"The Board of Governors of the Federal Reserve System, by the affirmative vote of not less than five members, may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 357 of this title, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this chapter when such notes, drafts, and bills of exchange are endorsed or otherwise secured to the satisfaction of the Federal Reserve bank: *Provided*, That all such discounts for individuals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Board of Governors of the Federal Reserve System may prescribe."

[U. S. C., 1934 ed., Supp. IX, title 12, sec. 343]—Continued

gricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of grace.

In unusual and exigent circumstances, the Federal Reserve Board, by the affirmative vote of not less than five members, may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 357 of this title, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this chapter when such notes, drafts, and bills of exchange are endorsed and otherwise secured to the satisfaction of the Federal Reserve bank: *Provided*, That before discounting any such note, draft, or bill of exchange for an individual or a partnership or corporation the Federal Reserve bank shall obtain evidence that such individual, partnership, or corporation is unable to secure adequate credit accommodations from other banking institutions. All such discounts for individuals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe. (Dec. 23, 1913, c. 6, § 13, 38 Stat. 263; Sept. 7, 1916, c. 461, 39 Stat. 752; Mar. 4, 1923, c. 252, title IV, § 402, 42 Stat. 1478; July 21, 1932, c. 520, § 210, 47 Stat. 715.)

Before I go into the legislation I want to read some very interesting quotations from this report. After discussing under the title Sources of Reserves to correct the increase of balances of member banks and the increase of the country's monetary gold stock in dollars, on page 21 we find the following:

As a net result of all these developments and transactions, \$6,000,000,000 was added to member-bank reserves in the 5 years 1934-38. Of this amount, \$3,650,000,000 was absorbed by increases

in required reserves, due both to the increase in the prescribed ratios of reserves to deposits and to the growth in the banks' deposit liabilities. In the early weeks of 1939, excess reserves increased to \$3,600,000,000. A continuation of gold inflow and of silver purchases would further add to excess reserves. The volume of excess reserves now in existence, furthermore, can be greatly increased by actions of the United States Treasury.

The popular impression from such reports is that these excess reserves are caused from one or two reasons: First, that the banks will not loan money; or, second, that business is afraid to borrow money. The latter is the reason commonly given by Republican speakers. The truth is these are only small contributing factors. The small banks have learned their lesson. They remember too well the experience of 1932 and 1933. In order to get money in those years to pay depositors, banks were forced to put up for rediscount notes, the face of which was three times the amount of money advanced by the Federal Reserve System or other rediscounting agencies. It has become a fetish, an obsession, something that bankers are proud of, to keep their institutions constantly liquid. After a small percent of an institution's deposits are loaned the loan policy tightens because of the horrible memories of past experiences with rediscounts. The Federal Reserve System can change this picture overnight. If banks knew the Federal Reserve System would take their paper at face value with up to a 2-year maturity, business would immediately be adequately financed.

The bill I have introduced changes section 13 of the Federal Reserve Act by making it mandatory, changing the wording to read "Any Federal Reserve bank shall discount." It also makes the bill read, "including notes secured totally or in part by real-estate mortgages of any description." It also extends the maturity from 90 days to 2 years. Of what possible good is a rediscount agency accepting notes of 90 days' maturity? I would say in my part of the West that 90 percent of the losses suffered by banks were due to the fact the banks were forced to liquidate, forced to sell out the maker of the note. Time would have made the notes good. This has been proven by the Reconstruction Finance Corporation, which made loans on supposedly questionable paper. Time made the loans good. There would have been no need for an R. F. C. if the Federal Reserve System had functioned, if the Federal Reserve System had accepted for rediscount at face value paper offered by member banks. To further insure the workability of this bill I have written into the existing section 13 the following language:

The Board of Governors of the Federal Reserve System shall accept for rediscount at face value any note classified in group I. (all notes shall be classified under group I if ultimate repayment seems reasonably assured in view of the sound net worth of the maker or endorser, his earning capacity and character, or the protection of collateral or other security of sound intrinsic value) at the last official examination made by examiners duly appointed by the Comptroller of the Currency with the approval of the Secretary of the Treasury.

My legislation will make the Federal Reserve System work. I ask only that they accept for rediscount at face value notes that have been classified under group I at the last official examination. On page 89 of the report, to which I have previously referred, is clearly set out the policy to guide examiners appointed by the Comptroller of the Currency. To show that something must be done to speed the flow of credit I refer to the same report, page 23, in referring to the course of business in 1938:

The banks, therefore, are in a position to contribute to recovery by easily meeting such legitimate demands for funds as may develop. The rate of turn-over of existing deposits, however, continues to be unusually low.

I sincerely believe that the caution instilled in bankers by the crash of 1929-33 will continue to hold loans down, continue to hold back the recovery of this Nation until Congress demands the Federal Reserve System to take at face value all paper classified as collectible by the last Federal examination. That the Federal Reserve System is beginning to take note of the fact that its regulations have discouraged its use I quote from the paragraph dealing with revised examination procedure on page 37:

Under the new designations the principle is clearly recognized that in making loans banks should be encouraged to place emphasis

upon soundness and intrinsic value rather than upon liquidity or quick maturity, and the examiners are expected to follow this principle in their examinations.

If this is truly the policy of the Board of Governors of the Federal Reserve System and this quotation is taken from their report, certainly they should not object to extending the maturity of rediscounted paper from 90 days to 6 months.

To sum up in a few pertinent figures what has happened between 1930 and 1938, the private debt has decreased from \$125,000,000,000 in 1930 to ninety-one billion in 1938, a decrease of thirty-four billion. Private debt indicates money borrowed to carry on business. On the other hand, the Government debt—Federal, State, and local combined—has increased from thirty-five billion in 1930 to sixty-three billion in 1938, an increase of twenty-eight billion. During this time, especially since 1932, there has been a succession of Government agencies, Government loan agencies, to take care of the unfortunate both in business and in private life. The R. F. C., which makes as a prerequisite of a loan the inability to get funds from another source, the agencies of Farm Credit which again require that a man has to be denied credit from other sources, Farm Security that makes loans to the unfortunate farmers, Farm Tenancy which makes loans for tenants to buy farms. I am proposing in this legislation to make credit available to the businessman of every town and city in this Nation, to the farmer, to the housewife who purchases an icebox, to the wage earner who buys an automobile, to the merchant to increase his stock or remodel his store. Not the down-and-out, not the broke merchant, but to the man who can establish his credit with his local banker on his ability to make money and pay it back. No one, no Government agency, no emergency agency, no social worker, no farm planner, no group of experts, can possibly know as much about a man's ability to repay a loan as his local banker. This bill will encourage that local banker to make every loan he thinks will be repaid. At the same time the local banker will know that when the time comes that he needs the money to pay off his depositors there will be a source of credit from which he can get 100 cents on the dollar on the paper until it matures. He will know this, of course, after his paper has been passed on by the regularly constituted bank examiners.

Let us look at the record of how the Federal Reserve System is functioning now. In December 1938 all the member banks of the entire System had rediscounted with the Federal Reserve System the insignificant sum of \$10,472,000. In June 1934, accompanied by a great deal of oratory, a great deal of promise to industry and business, Congress passed an amendment hedged with reservations making loans to industry possible. Since 1934 the Federal Reserve System has made 2,653 loans for a grand total of \$175,011,000. Of these loans, \$24,024,000 are outstanding. Thus we see that the combined loans to industry and the rediscount notes of the member banks come to the grand total of \$34,496,000. This is less than 1 percent of the excess reserves of the Federal Reserve System. We do not have and never have had sufficient deposits in our small banks in this country to finance local business. Industries such as the motorcar industry have been forced, very profitably so, to create their own finance companies. With the great reservoir of credit available to member banks through the Federal Reserve System there is no excuse for any community with a bank that is a member of the Federal Reserve System to be underfinanced. If the local banks know that by congressional action the Federal Reserve System is required to accept their notes for rediscount, good loans will be made. At the present time paper acceptable for rediscount with the Federal Reserve System is charged 1½ percent. With credit furnished with the Federal Reserve System at the rate of interest at 1½ percent, plus extension of time to 2 years on notes, local banks will finance every worthy enterprise in their community. Remember the local bank is absolutely responsible for the collection of the note. This is not a bill to guarantee payment such as we have had to aid housing. This is simply a bill to make the Federal Reserve System work by guaranteeing to the banks of this Nation that the paper in times of need or times of expansion will be acceptable at face value. The passage of



this act will do more to bring back prosperity, to encourage legitimate business, to create reemployment than all the relief agencies of the Government combined.

#### CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I renew my point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixteen Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 14]

Allen, La.	Dies	Lesinski	Reece, Tenn.
Anderson, Mo.	Dingell	McArdle	Risk
Austin	Disney	McDowell	Rockefeller
Barden	Doughton	McGranery	Sasser
Beam	Elliott	McKeough	Schafer, Wis.
Brooks	Elston	McLeod	Schuetz
Bryson	Evans	McReynolds	Secombe
Buck	Fay	Maclejewski	Seger
Buckley, N. Y.	Fernandez	Magnuson	Smith, Ill.
Burdick	Flannery	Maloney	Smith, Maine
Byron	Goldsborough	Mansfield	Smith, Va.
Casey, Mass.	Harrington	Mason	Somers, N. Y.
Chandler	Hartley	Miller	Sullivan
Cluett	Havener	Mitchell	Sumners, Tex.
Coffee, Wash.	Hawks	Mouton	Sweeney
Corbett	Houston	Nichols	Thomas, N. J.
Creal	Jenks, N. H.	Norton	Wadsworth
Culkin	Kelly	O'Brien	Wallgren
Curley	Kennedy, Md.	O'Leary	White, Idaho
D'Alesandro	Kennedy, Michael	Osmer	Winter
Daly	Knutson	Patton	Wolfenden, Pa.
Darden	Kociakowski	Pfeifer	Woodruff, Mich.
Dickstein	Lea	Rabaut	

The SPEAKER. Three hundred and forty-two Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico [Mr. DEMPSEY]?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, at this time when there are being made many suggestions for a change in the administrative set-up of the various emergency agencies intended to stimulate and expedite economic recovery and stability, I deem it fitting and proper to bring to the attention of the Members of this House and you, Mr. Speaker, certain observations that I have made and some suggestions that might be profitably brought to the consideration of the people of this Nation, as well as to that of the governmental agencies concerned.

We have heard much, particularly in recent months, concerning the Works Progress Administration; often of its failures and occasionally of its accomplishments. Frankly, we who created the W. P. A. should assume full responsibility in connection with the failures it has made, because of our own failure to legislate more intelligently.

When this agency was created and began to administer work relief for the benefit of the unemployed, we so legislated that it paid what was termed a security wage—a wage lower in every instance and in every locality than the prevailing rate of pay for all lines of work in private employment in those localities. The agency rapidly branched into every field of labor with a personnel, I regret to say, that was not properly trained or experienced and therefore was not, nor could it be expected to be, competent to carry on the work to which it was assigned. I point specifically in that regard to construction projects and wish to say, without any qualification whatever, that the W. P. A. never has been properly equipped and never has obtained the proper personnel, under work-relief regulations imposed, to carry on those construction projects efficiently.

As the construction work program was broadened by the W. P. A., labor realized that if the agency continued the se-

curity wage requirement, it would soon break down the established union wage scales that had been built up over a period of many years, and only after a bitter struggle each step of the way on the part of labor to obtain that to which the workers of the Nation believed they were entitled.

We know, without recital here, of the powerful opposition from those who felt that wage scales should be kept at the lowest level possible. That opposition, it cannot be successfully denied, was prompted by a motive of greater profits to employers without due regard for welfare of the workers and those dependent upon them.

What really has occurred in connection with the many construction projects which have been carried on under the W. P. A.? The significant thing to me is that while there was a continuous and insistent demand for the workers to be paid the prevailing wage—a just demand, in support of which I joined wholeheartedly—I have yet to hear anything said with reference to a requirement that the workers employed by the W. P. A. must do a prevailing day's work for that prevailing wage. Most certainly there has been no such provision in any of the legislation we have passed. Yet in private employment the worker must give such a return to the employer or that employment ceases.

Why is it that when Government money is being expended on these projects only about 30 percent of the actual value of the money expended is being received in labor return, when we compare the actual work done with that which is accomplished for the same expenditure in private industry or in contract work?

Compare, if you will, the accomplishments of the W. P. A. and the cost of the various construction projects it has administered with the work performed by the Public Works Administration, work that has been handled with an efficiency equal to that attained by private industry in similar construction. The records reveal there has been a return to the people of this Nation of full value for every dollar expended on construction projects administered by this governmental agency. That is the reason today for the urgent demand on the part of the people for continuation of the Public Works Administration, and equally the reason why the public generally is frowning upon the projects that have been constructed by the Works Progress Administration, frowning because the costs have been excessive and because, in many instances, the work done has not been up to the standards that good construction practices require and produce.

We have heard much criticism of an expensive, top-heavy bureaucracy being built up by Washington, yet we find in the P. W. A. an agency whose administrative expense is lower than any other save one in the whole Government, totaling less than one-half of 1 percent of the total cost, releasing 99½ percent for the work it was created to do. And the major portion of that fraction of expense is spent mainly in the field where the building operations are being carried on.

Every demand made upon this agency by the Congress has been met. Impossible deadlines set up for construction to begin and to be carried on in the dead of winter by the contractors have been met almost unnoticed because of the regularity with which they have been attained. Appropriations allotted to this agency have been spent in the manner which the Congress intended, and we never have been faced with the report that P. W. A. guessed wrong and the money was all gone in half the time it was supposed to last.

During its life P. W. A. has been known to have a personnel of some of the most distinguished engineers in the country. Presidents of the engineers' professional societies have been proud to serve in the ranks of its expert staff. Outside of wartime perhaps no more able and skilled staff has ever volunteered for Government service. Proof of this is found in fact during the five and a half years of emergency operation; the P. W. A. sign has come to be a hallmark of quality and honesty in construction.

Therefore it is my opinion that a junior P. W. A. within the present P. W. A. set-up would be the logical and most satisfactory way to handle these construction projects of the type which now are under W. P. A. jurisdiction.

I feel that the W. P. A. which primarily was intended to administer emergency relief work for those immediately facing privation and want should be relieved of responsibility for the efficient construction of these major and intermediate projects. I believe, further, that construction projects, in order to obtain the maximum in efficiency at a minimum of cost and to assure the return of full value for every public dollar expended should be let by contract. These contracts should set up the number of man-hours a contractor would be required to use for each project. Through this method we would be certain that the prevailing day's work would be done by every employee for the prevailing day's wage. Most certainly that is not an unreasonable requirement. It is merely good business practice.

And labor, particularly organized labor, which should assume as much responsibility for seeing to it that a proper day's work is done as to demand that a proper wage scale be maintained, would have no further reason for being remiss in performance of that obligation. There would be no wage-differential factor involved, so labor would have the same relationship with the employer as exists in any private employment.

Under this junior P. W. A. plan the sponsor's contribution, of course, would be less than prevails today in the regular P. W. A. set-up. It is my belief a formula should be worked out varying the sponsor's contribution in accordance with the amount of materials to be used on the project.

Where materials are high and labor cost is comparatively low the sponsor's contribution should be high. On the other hand, where the labor cost is comparatively high with regard to the cost of materials, the Government's contribution should be correspondingly higher and the sponsor's lower, a condition justified, of course, by the fact that work for the unemployed is one justification for the project.

If the suggestion I am making here is carried out, it would result in any State or other political subdivision obtaining from two to three times the number of projects it now obtains for the same amount of money expended. Further, it most certainly would bring about that much-desired elimination of politics from these projects, for the reason that the contractor who is the successful bidder would employ superintendents and other administrative employees purely on the basis of efficiency and ability, and without any regard whatever to political expediency.

I have repeatedly pointed out in my State that, unless those who are receiving Government checks perform a service comparable to that rendered by an employee in private industry who is receiving the same amount of compensation, there eventually would be brought about an end to this public employment due to the resentment created in the public mind, a resentment based—and justly so—on what would appear to be wanton waste of the people's money.

There have been several plans suggested to the Congress recently that seek to terminate the undesirable conditions which I have set forth. One of these is the Byrnes plan, which contemplates consolidation of the P. W. A., the W. P. A., the C. C. C., the Bureau of Public Roads, and the N. Y. A. Most certainly this would be a very remarkable conglomeration in one department, one which, I fear, would result in administrative failure, due to a lack of a common factor in purpose among those varied agencies.

On the other hand, we have before us the Woodrum bill, accompanied by a very clear explanation of its purposes and intent by the Representative from Virginia. I believe that measure has much merit, if certain changes, such as I have indicated here, could be incorporated in the bill.

The question of turning Federal work-relief moneys over to the various States for unsupervised administration has been suggested by several Members of the Congress. This, I feel, most certainly should be given careful thought. It has not been my experience from observation of situations where State officials have sole control of the relief agencies that politics have been eliminated. As a matter of fact, it is my personal knowledge that the more vicious type of political practices and injustices follow where administration is left entirely to State agencies. In many instances

adoption of that plan has resulted in a condition where it was not the person or persons most in need who were the beneficiaries, but those who controlled the most votes.

I believe that the Congress itself must place the administrative control of this emergency work relief in hands where it is a foregone conclusion that politics will be eliminated, and that conclusion can only be reached by taking into consideration the record of the various governmental agencies in the past. It is for that reason that I offer the suggestion of a junior P. W. A.

During its existence the P. W. A. has supervised programs involving the expenditure of nearly \$6,000,000,000. In all of that time there has not been the slightest hint of irregularities, of inefficiency, of political manipulation, or of failure in accomplishment. Therefore, I wish to pay my respects to the Public Works Administration for the able and efficient manner in which it has discharged the obligations placed on it by the Congress; for the clean and thoroughly honest manner in which that great organization has been conducted. It has, indeed, been a credit to our Government, and in whatever State or town a public Works Administration project has been undertaken, we may well point with pride, without exception, to the accomplishment.

I not only desire to see this agency made a permanent part of the Government structure, but most certainly wish to see it remain where it is, under the efficient and intelligent management of the Secretary of the Interior, the Honorable Harold L. Ickes. In my opinion, it is an excellent commentary upon the value of this organization, when we find throughout our entire Nation hundreds of cities and other political subdivisions which are willing and anxious to expend 55 percent of the amount required for a construction project under P. W. A. supervision, and who refuse to consider the same project under any other form of work relief administration even though the proportionate cost to the sponsor will be but 20 percent or less of the total cost. To my mind that is clearly indicative of the fact that the public has learned from experience that P. W. A. supervision of a construction project means the return of full value for every dollar of Government money expended.

As further confirmation of the faith which the people of this Nation repose in the P. W. A., I point to the recent report from that governmental agency, which shows that, in addition to the number of projects being constructed under the last appropriation made by this Congress, there are now pending from all parts of the United States 5,807 additional projects awaiting further appropriation. Those projects contemplate a total cost of \$1,775,500,000, of which the Government would provide, in the form of grants, \$778,160,000. In other words, the people of the United States are willing to expend approximately a billion dollars of local money as compared with three-quarters of a billion dollars of Government funds because they feel that they are obtaining value received for that expenditure.

In conclusion let me say that when we in the Congress place all of the construction projects of this character in the hands of an agency which has the full confidence of the public, such as has been demonstrated with regard to the P. W. A., we will have overcome the principal objection that is now being made to this phase of increased Government expenditure and will have solved, once and for all, the problem of politics in work relief.

Contractors, as private employers, would absorb those on the present relief rolls capable of doing the work. Those who, due to infirmities of age or other physical handicap, could not meet the requirements of the employer could be given nonconstruction project employment and assistance through Federal Government cooperation with and supervision of proper State agencies. Women and the white-collar workers would continue to be employed in the type of projects already set up by the W. P. A. None in need would be denied assistance, but those able to deliver it would once again be required to give full value in labor for the dollars paid them.

There is no need for further experimentation in this regard. Past experience has provided the public and the



Congress with a yardstick which we need now only to apply to reach a properly measured conclusion.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow at the conclusion of the special orders heretofore made for that day.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. MARTIN]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein Resolution No. 13 of the Board of Harbor Commissioners of the City of Los Angeles.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

#### EXTENSION OF EXPORT-IMPORT BANK AND COMMODITY CREDIT CORPORATION

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, with Mr. CELLER in the chair.

The Clerk read the title of the bill.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 1, line 6, after the word "thereof", strike out "January 15, 1941" and insert "June 30, 1941."

The amendment was agreed to.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 2, line 1, strike out "January 15, 1941" and insert "January 30, 1941."

Mr. WOLCOTT. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. Is the gentleman's amendment an amendment to the amendment just offered by the gentleman from Missouri [Mr. WILLIAMS], striking out "January 15, 1941"?

Mr. WOLCOTT. I assume it is because it strikes out the whole section.

The CHAIRMAN. This is a separate amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, the amendment which I have just sent to the Clerk's desk seeks to strike out subsection (b) which is sought to be amended by the amendment offered by the gentleman from Missouri [Mr. WILLIAMS]. Is not an amendment to strike out the whole section a perfecting amendment?

The CHAIRMAN. The Chair believes that should come later, that it is not a perfecting amendment to the pending amendment. It will be in order for the gentleman to present his amendment subsequently to the adoption or rejection of the pending amendment.

The amendment of Mr. WILLIAMS of Missouri was agreed to.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 2, line 12, after "1938" and the parenthesis, strike out "58" and insert "52."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I now offer the amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 6, after the semicolon, strike out the remainder of line 6 and all of lines 7, 8, and 9 on page 1, and "January 15, 1941" in line 1, page 2, the same being subsection (b) of said bill.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the amendment I have sent to the Clerk's desk be amended by striking out the words and figures "January 15, 1941," and inserting the words and figures of the amended section, "June 30, 1941."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, this amendment if adopted would require the liquidation of the Export-Import Bank of Washington, the date of expiration of which is June 30, 1939. We should give serious consideration to whether it is necessary or advisable to continue the functions of the Export-Import Bank of Washington. This bank was set up by an Executive order on February 2, 1934. I assume the act of Congress on January 31, 1935, which is known as Public, No. 1, of the Seventy-fourth Congress, ratified the action of the President in setting up the bank.

This bank was set up primarily to supplement loans made by private banks to aid in exporting agricultural and industrial products. For a year and a half after the bank was set up not a loan was made and not a commitment was made. I make this observation to show that for a year and a half after it was found advisable or necessary to set up this bank not a commitment was made. The Reconstruction Finance Corporation, through its officers and employees, does all the administrative work. This bank is set up primarily to give the Reconstruction Finance Corporation an outlet to make foreign loans if it so desires.

Is it advisable to continue the functions of the Export-Import Bank? Let us look at its report for 1938. We find that as against the hundreds of millions of dollars of exports from this country this so-called important adjunct to the credit structure of the United States disbursed actually \$18,602,974. This was during the year 1938.

At the close of business on December 31, 1938, the active commitments—and it is conceded this agency has been much more active during the last 6 months than it ever was before—of this bank were only \$46,165,508, of which \$25,000,000 was authorized to facilitate the exportation of American industrial and agricultural products to China. Twenty-five million dollars of a total of \$46,000,000 of commitments, or more than 50 percent of the activity of the Export-Import Bank of Washington, as shown by the report of condition at the close of business on December 31, 1938, was in the nature of this very highly controversial Chinese loan.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. REED of New York. Does the gentleman have the figures as to the cost of administering this organization?

Mr. WOLCOTT. The cost of administering the bank for 1938 was \$49,469.

When we consider continuing the activities of this bank we must take into consideration that there is no limitation on its activities. It can loan to any belligerent. It can loan to loyalist Spain or to insurgent Spain. It can loan to China or the nationals of China, as it has done. It can loan to Japan, it can loan to Germany, or it can loan to Italy or the nationals thereof. It can loan into any situation which might involve us in a European or Asiatic conflict and almost force the Congress of the United States to back it up. This is an agency of the Federal Government and as such its acts and omissions are chargeable to the United States. It is a dangerous thing to have this bank making loans without restraint in situations which might involve us in European or Asiatic conflict. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is highly difficult to follow the argument of the gentleman from Michigan. Part of the time he devotes himself to the contention that the Export-Import Bank is useless because it is doing no business, and then in the next breath the gentleman seems to be alarmed and distressed for fear that the bank might do too much business. I might agree with the gentleman in the first instance, but I dissent from the view voiced in his second contention.

As I view the situation and I believe it is likewise the sentiment of this House and of the country, nothing is more important and essential to the restoration of prosperity and normal economic conditions in the United States than a revival of our foreign trade. [Applause.] This is all that is undertaken by the Export-Import Bank. A large part of the credits of this type commercial banks do not desire because it does not coincide with their training and habits of thought to make loans of the kind desired in connection with export trade. We are not depriving the banks of business by continuing the life of the Export-Import Bank. The Export-Import Bank is cooperating with the commercial banks of the country. Loans this bank makes often are divided, part being carried by commercial banks and part by the Export-Import Bank. Not a loan has been made to cover the purchase of war materials. Not a loan has been made in violation of our neutrality law or any treaty or any other law of the United States Government.

As a matter of fact, no loan has been made and no funds have been paid out in connection with the commitment to the Universal Trading Co., and no loans are contemplated that in any way violate any of the laws of the land or are in contravention of the views of the State Department.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. May I say one word before I yield to the gentleman?

The bill before us limits the loans that may be outstanding by the Export-Import Bank to \$100,000,000, and a large portion of this sum is outstanding now. Any thought that out of that sum there can be any serious interference with quarrels or controversies among other nations by the exportation of war materials is absolutely far-fetched and unworthy of serious consideration.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. RAYBURN. Does it not seem at least passing strange that the same gentlemen on the other side of the aisle who are always complaining that the program put forward by this side of the aisle and by the administration is hampering business, when a measure comes up to extend the life of a part of the Government that has for its sole purpose helping American industry it meets with opposition from the same men who are making the statement that we are endeavoring to destroy business?

Mr. STEAGALL. Of course, we would hardly expect such a contention from the source, from which it comes. Our country is at a disadvantage in the matter of foreign trade. Other governments subsidize such trade. Other governments resort to every known method in the regulation of exchange, in granting subsidies and in every possible way to secure such trade. Unless we speed up our efforts and improve our machinery for handling this trade, we are going to lose the opportunity of extending our trade in the republics to the south of us.

Mr. SPENCE and Mr. MAY rose.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute that I may yield to the gentleman from Kentucky [Mr. SPENCE].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SPENCE. I just want to say to the Chairman that I have a letter from Mr. Jesse Jones, Chairman of the

Board of the Reconstruction Finance Corporation, in which he states that no part of the recent \$25,000,000 authorization has been disbursed and no part of it is to be used for the purchase of war material, and yet the gentleman from New York [Mr. FISH], yesterday said that a thousand trucks are to be purchased out of this fund. Mr. Jones further states that loans are not authorized by the Board until after the State and Treasury Departments have been consulted to ascertain if there is any reason, in the opinion of those Departments, why the loans should not be made. This bank is more careful about involving us in any foreign entanglements than any other bank in America would be, because it is strictly under the jurisdiction and control of the National Government and amenable to all the Departments of the National Government.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute that I may yield to the gentleman from Kentucky [Mr. MAY].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MAY. Mr. Chairman, I would like to say to the gentleman that in the consideration this morning of a bill before the Military Affairs Committee of the House, where the Secretary of State's office is asking assistance in sending representatives from the departments of this Government to the South American republics to advise and counsel with them with respect to trade, it appeared that two or three foreign nations are offering to furnish the same service without charge, while these South American countries are willing to pay us for the advice that they are offered free by other countries. This measure fits right into that picture and enables us to lend to those nations, if they need loans.

Mr. STEAGALL. It is a legitimate and constructive undertaking. It undertakes to extend our trade and commerce by methods that ought to be gratifying to every citizen in the Nation. [Applause.]

[Cries of "Vote!" "Vote!"]

Mr. GIFFORD. Mr. Chairman, I can well understand that the majority party would like to vote for this and get it out of the way.

It is strange that you would say it is beyond the imagination of anyone to argue that this Export Bank is a dangerous tool. Evidently the majority side of the House does not read the newspapers very carefully. During the last few days it has been very clearly shown to the public at large by editorial opinion that this is one of the most dangerous tools in the field of economics that could be given to an administration which is so anxious about foreign trade, but has so little concern about our domestic conditions and would sacrifice our domestic industries to increase foreign trade.

It is shown that this bank has done very little business. I can well imagine that the Honorable Jesse Jones would be greatly importuned by those now receiving a salary to carry on these activities lest they lose their jobs. I do not envy his position if he should try to do away with any of these activities. One hundred million dollars is a lot of money when you consider that practically all commitments of the bank are only participating loans, and this sum might be the means of taking care of several hundred millions of these somewhat doubtful loans.

This is needed by our exporters who wish to sell goods to a foreign country lacking foreign exchange, or to foreign buyers who demand long credits. It is probably a rather risky business. Private banks would loan legitimate exporters on a safe and sound loan, unless there was some particular risk involved.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No; I will not yield, because I want no red herrings just for a moment. If you read the hearings you can form only one conclusion, and that is that this Export Bank might encourage exports by participating, or taking a 25-percent or 50-percent part, whatever it may be,



of the loan and the risk involved. If you read the newspapers, or recall the statements made to you twice yesterday, you will note that the Brazilian envoy, representing a nation in default in the matter of a \$370,000,000 loan expects the Export-Import Bank to come to their aid. Shall we finance sending our wheat there and arouse the Argentine to make reprisals? You state that we will not finance exports of war materials. You will not need to do so to accomplish indirectly giving such aid. You need not provide money for guns but apply it for different purposes and release other funds to buy the guns. It would be difficult to draw the line of assistance to belligerent nations, in a way that would not be interpreted as direct aid in the purchase of war materials; it would be a strong gesture and would make very plain that our neutrality law had ceased to function. No matter how small may be the suggested operations, the administration demands this unusual economic instrument with all its potential dangers.

In fact, it does not want to give up any activity whatsoever indulged in in the last 6 years that would involve the loss of a single job. That may not be so applicable to this particular case, but it does apply to all cases. Again, I repeat, you do not have to loan belligerents money to buy guns. You can loan them money to buy trucks. Let us not become involved by such operations. We are wondering what may have been the real reasons for the recent resignation of Mr. Taylor from the Treasury. It is suggested by the newspapers that he left because he was out of harmony with the present policy of the administration of the stabilization fund. What would be his opinion of this Export-Import Bank? It is apparent that they simply cannot keep an Assistant Treasurer for long, because he cannot agree with the policies of the administration in monetary matters. I should think that the majority party might be somewhat worried over the implications of these resignations. And now I suppose some Democrat will rise and say, as one did on yesterday, "I will not attempt to answer one of the usual tirades of the gentleman from Massachusetts."

Mr. THOMAS F. FORD. Mr. Chairman, the gentleman from Massachusetts just said that there were no legitimate concerns attempting to secure the aid of the Export-Import Bank for the purpose of exporting legitimate merchandise. He certainly has read the statement in the hearings before the Banking and Currency Committee, of which he is a member, in which Mr. Jones lists a number of legitimate American concerns. He certainly would not say that the American Locomotive Co. is not a legitimate business enterprise, nor would he contend that the National Foreign Trades Council, representing numerous American exporters, is not a legitimate American enterprise.

Mr. GIFFORD. Oh, I simply say that a locomotive sold could be used to carry soldiers.

Mr. THOMAS F. FORD. In South America?

Mr. GIFFORD. Yes. It is simply that it is a matter of furnishing indirectly means of carrying on a war.

Mr. THOMAS F. FORD. In other words, the gentleman is accusing the Export-Import Bank of utilizing the backhand tactics that he and his party are using at the present time to discourage a legitimate facility of the United States Government in its efforts to develop legitimate and profitable foreign trade.

Mr. GIFFORD. Might use it—not using it.

Mr. THOMAS F. FORD. The Export-Import Bank is merely an implement to facilitate the conduct of a small portion of our foreign trade.

Advances and commitments are made for the most part to business concerns that are unable to secure the necessary credit through the ordinary commercial banking channels.

On page 91 of the hearings before the Banking and Currency Committee will be found a list of typical transactions that illustrate the nature of the business handled by the Export-Import Bank.

These transactions range all the way from peso coinage for the Republic of Cuba to the export of locomotives and foundry pens to South America.

There are no items in this list that suggest any sinister attempts to violate neutrality or to promote other than friendly and profitable commercial relations.

Now, the so-called Chinese loan has been made much of. Mr. Jones flatly stated that this loan was not to the Chinese Government but to a Chinese-owned American trading company. The loan, amounting to \$25,000,000, will be paid to the R. F. C. by the Chinese-owned American Trading Co. The only manner in which the Chinese Government could be dragged into the transaction is that the loan, like all big loans, is guaranteed by the Bank of China, one of the world's great and powerful banking institutions, an institution which is, by the way, owned in equal parts by private individuals and the Chinese Government.

The supervision and direction exercised by the Chinese Government is, I am told, of a very mild character. It is probably about the same as that exercised by the R. F. C. over American banks in which it holds either preferred stock or debentures.

In any event, the loan is not a Chinese Government loan; it is merely an ordinary commercial loan transaction between the Export-Import Bank and a Chinese-owned American trading company; and any attempt to invest this loan with international political significance is an unfair and unwarranted piece of partisan skulduggery in keeping with the Pecksniffian antics of a completely befuddled minority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 114, noes 152.

So the amendment was rejected.

Mr. FISH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 2, line 14, after the figures "\$900,000,000", insert "Provided, That not more than \$500,000,000 of this sum may be loaned annually to finance the sale and export of commodities to any nation, person, or persons, outside of the Western Hemisphere, without the consent of Congress."

Mr. FISH. Mr. Chairman, I am inclined to believe that the vote just taken, and the practically unanimous vote on the Republican side against the continuance of the Export-Import Bank and its operations, was largely due to the fear that the Export-Import Bank may be used to finance arms, ammunition, and implements of war and war materials to belligerent nations throughout the world. If that is so, naturally I have sympathy with them. On the other hand, this Export-Import Bank, which has not served any very good purpose up to date, has made a commitment of \$25,000,000 to furnish supplies to China; and I say to the gentlemen of the Committee that a commitment has been made for 1,000 trucks, and this information was given to me by Mr. Pearson, the president of the bank, only yesterday. It was made for two lots of 500 trucks each. Those trucks, of course, will be used to carry war materials and supplies to the Chinese Army from Burma up to wherever the Chinese Army is.

I do not think it was a proper commitment to make. It is 50 percent of all the commitments they have made. I believe we are facing a very serious situation. We have been asleep to the economic invasion of South America by Germany and Japan. We have lost 50 percent of our trade there since 1929. Latin America is still our largest market. We still do more trade in South and Central America than Great Britain, Germany, Japan, and Italy combined, but we have been losing it very, very rapidly in the last year in Argentina, Brazil, Chile, and Mexico.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KELLER. Is it not true that we did lose a great deal and then we gained back largely our trade with South America?

Mr. FISH. The fact is we have lost a great deal in the last 6 months or year. We have lost 50 percent of our trade alone with Mexico, and we have lost that to the Germans. I do not have time in 5 minutes to go into all those details.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. TABER. Would the gentleman be able to tell us whether or not any of this money has been used to finance the shipment of cotton gins to Brazil?

Mr. FISH. I am not sure, but I will say this in favor of the bill: That it has financed the shipment of cotton to Poland and to Italy to the amount of two or three million dollars to each.

I have submitted my amendment to the president of the bank, and he had no particular objection to it, because it would not interfere with the operations of the bank, except the Chinese loan. It would not interfere with the sale or financing of cotton to Italy and Poland to the amount of two or three million dollars—and only restricts loans to under \$5,000,000.

I believe we face a very serious situation. I believe that unless this Congress does something of this kind immediately, right now, we will lose another 50 percent of our trade with South America, our single biggest market in the world, because we cannot compete with these subsidized governments like Japan and Germany. This, in effect, is a subsidy. It is a loan by the Government to finance and encourage trade, primarily with South America. I would like to limit it entirely to South America, but to make it a little broader I propose to limit it to Latin America except for loans up to \$5,000,000. I think that should be accepted by the chairman of the committee. The president of the bank has no particular objection to it. I am fearful that if we increase this amount of money to \$100,000,000 President Roosevelt might use his influence to loan \$50,000,000, or commit it, to China for war purposes, to finance the war, whether it is to buy trucks or other munitions. I want this money to go to South America to finance trade with South America, and limit foreign nations to \$5,000,000 each.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. THOMAS F. FORD. Did Mr. Pierson tell you that these thousand trucks were to be used for war purposes?

Mr. FISH. He did not, but every Member of Congress knows there is a war going on in China, and we know why the Chinese Government wants those trucks. They do not need them for commerce. They do not need them for trade. They have practically no commerce and they have no trade.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. REED of New York. While it may not be true that this bank is financing the purchase of war materials, the fact remains that we have furnished 51 percent of the essential war materials to Japan.

Mr. FISH. Yes; that is true. That is due to the President of the United States refusing to put into effect the neutrality law which said it should go into effect when a state of war existed. A state of war exists in China, and everybody knows it.

Mr. REED of New York. The President does not know it.

Mr. FISH. The Congress is not to blame for that. It is the President of the United States.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHANLEY. The gentleman talks about meeting the Germans. Does the gentleman know that the Export Bank blocked off a German deal in Haiti by means of discounting a \$5,000,000 loan? We were able to block it off for that reason.

Mr. FISH. That is why I am in favor of this proposition.

Mr. SHANLEY. The gentleman said we had not done anything.

Mr. FISH. Well, we have not done practically anything. Five million dollars is not very much.

Mr. SHANLEY. That is a pretty good deal.

Mr. FISH. Not when we are trying to save trade to the amount of half a billion dollars. We are very apt to lose it. I want the Export-Import Bank to continue, but I want it confined largely to South America, and not be used for war purposes, for purchasing trucks in China. I think the gentleman agrees with that.

Mr. SHANLEY. If we have given \$5,000,000 to Haiti, we can do it with Brazil and the Argentine.

Mr. FISH. The gentleman does not understand. I am advocating exactly what the gentleman advocates. I want to confine this largely to South America, but any other nation outside of the American Hemisphere cannot be loaned or a commitment made beyond \$5,000,000.

Mr. SHANLEY. The gentleman misunderstood me. I objected to the gentleman saying we have not already done it.

Mr. FISH. Oh, we made that one little loan to Haiti.

Mr. SHANLEY. Not one little loan. It is a significant loan.

Mr. FISH. I am not objecting to that loan to Haiti. I favor it, but actually it is chicken feed in view of what should be done. I want to make greater loans and increase our trade in the Western Hemisphere. If you do not pass this bill and encourage our trade with South America by sound loans, or even subsidies, we are deliberately kissing our trade with South America good-bye. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from New York would alter the provision of the bill which deals with the resources of the Commodity Credit Corporation. It does not relate in any way to the Export-Import Bank, its fund, or its operations. If you will read the bill, you will see that the concluding subdivision reads as follows:

(d) Section 4 of the act approved March 8, 1938 (58 Stat. 108), is hereby amended by striking from the first sentence thereof "\$500,000,000" and inserting in lieu thereof "\$900,000,000."

This sum is the \$900,000,000 mentioned in the amendment. It is the amount fixed by the amendment in this bill increasing the resources of the Commodity Credit Corporation from \$100,000,000 capital, plus its borrowing power of \$500,000,000, to make its borrowing power \$900,000,000, making its resources \$1,000,000,000 instead of \$600,000,000.

Mr. FISH. Mr. Chairman, I think the gentleman is correct, and I ask unanimous consent to modify my amendment by striking out those words.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. If the gentleman from Alabama will yield, Mr. Chairman, I do not think that cures the evil.

Mr. FISH. I ask unanimous consent further to modify my amendment by inserting, after the word "lent", the words "by the Export-Import Bank."

Mr. RAYBURN. Mr. Chairman, reserving the right to object, pretty soon we are going to want to know what we are to be called to vote on.

The CHAIRMAN. Will the gentleman from New York restate his modification?

Mr. FISH. After the figure "\$5,000,000" strike out the words "of that sum", and after the word "lent" insert the words "by the Export-Import Bank."

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the Clerk may read the amendment as modified.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 2, line 14, after the figures "\$900,000,000", insert "Provided, That not more than \$5,000,000 may be lent by the Export-Import Bank annually to finance the sale and export of commodities to any nation, person, or persons outside of the Western Hemisphere without the consent of Congress."



The CHAIRMAN. Is there objection to the modification of the amendment as requested by the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Chairman, will the gentleman from Alabama yield?

Mr. STEAGALL. I yield.

Mr. RAYBURN. The amendment now is what the gentleman from New York thought it was, and it is just as objectionable in its present form as far as this fund is concerned that we are supposed to draw from as it was in the beginning. In other words, the gentleman would give the Export-Import Bank a certain power in one paragraph and then withdraw that power in the next paragraph. This would be the effect of the amendment offered by the gentleman from New York.

Mr. FISH. If the gentleman from Alabama will yield, does it not just restore power to Congress? I am sure the gentleman has no objection to that.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. THOMAS F. FORD. Does not the gentleman from New York mean without the consent of the minority of Congress?

Mr. FISH. Well, it will not be 2 years from now.

Mr. STEAGALL. Mr. Chairman, it is, of course, impractical to have Congress pass on every loan that might be considered by the Export-Import Bank in excess of the sum of \$5,000,000. The amendment might just as well provide that no loan shall be made outside of the Western Hemisphere. This would be the effect of it. If this is what the gentleman desires I respectfully submit that the amendment should have been drawn that way in order that the House may be fully informed as to what is under consideration.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. FISH. I would have no objection to restricting this to Latin America or the Western Hemisphere; but in order to include small loans that have been made and that will be made to countries like Poland, Italy, and others for cotton and other products, I put in the \$5,000,000 limitation; and the president of the bank himself had no objection to it.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. RAYBURN. The president of the Export-Import Bank is not passing on the policy of Congress, nor is he a Member of Congress.

Mr. FISH. I did not say he favored it; I said he had no objection to it. Furthermore, it does not interfere with any loan except the big loan to China for trucks.

Mr. STEAGALL. An embarrassing situation would confront the Nation under the operation of the amendment proposed by the gentleman from New York. Should we desire to make a loan of \$6,000,000 for the exportation of farm products to some part of the world outside of the Western Hemisphere at a time when Congress was not in session, the President would have to call an extraordinary session of Congress to pass on the application, rather than having the law administered by officials of the Export-Import Bank. That is the situation that would confront us. This amendment would put us in an unfortunate position before the world.

My good friend the gentleman from New York talks often about foreign affairs and of our interference and on expression of views respecting the merits of controversies among the nations of the outside world. If I understand the gentleman, he wants us to pursue a policy of strict neutrality in all our international relationships, yet would have us say to the world that we will not trade with nations outside of the Western Hemisphere.

Nothing is more essential to good will and understanding among nations and the cause of peace than the extension of trade and commerce.

Mr. Chairman, the service contemplated in this legislation would contribute at least in some measure to these desirable results in extending our contacts and commercial relations

with other nations. What we are trying to do today is to improve business, and to enlarge the output of our factories, and increase employment of labor of the United States. If we wish to further this policy, a more legitimate method cannot be used than that provided in the pending bill.

Mr. Chairman, I ask that the amendment be rejected.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from New York [Mr. FISH].

Mr. Chairman, I do not see any particular reason why we should not restrict these loans to \$5,000,000. I do not see any good reason why the Congress of the United States should not pass on loans made by the Export-Import Bank in excess of \$5,000,000. After all, an extra session of the Congress of the United States might be ever so much cheaper than allowing the Export-Import Bank or anyone else to precipitate this Nation in a world war by doing something foolish with respect to credit.

If all that the gentleman from Alabama [Mr. STEAGALL] has said is true with respect to the advisability of using this bank to create credits for the purpose of financing exports, then why has not this bank been functioning during the 4 years of its existence? It has been practically nonexistent until the last year and in the last 12 months our international relations have been such that we have had to proceed more cautiously than ever before in the history of this Nation.

Mr. Chairman, all we ask is that we may check every act to be performed by the executive branch with respect to our international relations so that if this country is about to get into a war we will know just where we are headed. Much has been said about this Chinese loan.

Why was the Chinese loan made? It was made purely and simply because we have a fallacious silver policy which compelled the Republic of China to go off the silver standard and tie its currency to the British pound sterling.

Whatever war we fight will be an economic war wherever we fight it, whether it be in Asia or in Europe. It will be an economic war and we should not lose sight of that. We cannot afford to be drawn into an economic war by allowing an individual or a group of individuals in the executive department to believe that the horrors of a war can be completely offset by exporting a few million dollars of our goods. We spent billions of dollars, twenty-four or twenty-five billion dollars, in the prosecution of a war in 1917 and 1918 which we recognize now was an economic war and it did not preserve world democracies.

We cannot afford, with the present condition of the finances of the United States Government, to enter into another war which is going to cost us billions of dollars. The people of the United States through its agents, the Congress of the United States, have a right to assume that any of these unfriendly acts by the executive department are entering wedges which might bring us into these conflicts.

I have said, and I made the charge, that the reason for this Chinese loan was because we had so affected the credit of China by our fallacious silver policy as to make this necessary. I say that after careful study of our silver policy and its effect upon China. China mines no silver. It was on the silver standard and it could deal with the United States. China is a pioneer country. It has a new nationalism and the people of that country want occidental goods. We are in position to furnish these goods to them. We forced them off the silver standard and now we cannot deal with them. They have no redeemable currency. They have had to tie up with the British pound sterling and all of the commerce between the United States and China henceforth, until a different monetary standard is provided, will have to be through the back door of London, England.

This is a question much more far-reaching than whether this particular bank shall be continued. It has to do not only with the question of our foreign policy which might precipitate us in a world war, but goes to the very foundation of the credit policy of this country with respect to credit furnished other countries in order to build up our trade.

This Export-Import Bank has not functioned, and you cannot tell me that a matter of \$21,000,000, exclusive of the Chinese loan, is a drop in the bucket compared with our total exports. What is the purpose of continuing the bank? It is to make loans to foreign countries without regard to the wishes of the Congress of the United States and to circumvent congressional declarations of neutrality to which all our people subscribe. If the Congress countenances that it makes possible violations of our neutral policy, it menaces our peaceful relations with many foreign countries, to the prejudice of the taxpayers and the peace of this Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The question was taken; and on a division (demanded by Mr. FISH) there were—ayes 113, noes 156.

So the amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Page 2, line 11, after the word "stock", insert the following: "Provided further, That the Export-Import Bank of Washington shall not make loans the proceeds of which are to be used for or in any aid of the purchase for export of arms and munitions, including airplanes, now in the possession of or to be acquired by the United States Army, Navy, or Marine Corps, except with the consent of Congress."

Mrs. ROGERS of Massachusetts. Mr. Chairman, this amendment is a very plain one. It provides that no money shall be loaned by the Export-Import Bank of Washington for the sale for export of our Navy, Army, or Marine Corps arms or munitions, including airplanes.

If I needed a defense for this amendment the President's own message on January 12 to the Congress regarding his preparedness program would be enough, I believe, to convince the Members that this amendment to the bill should be adopted. I refer the House also to the testimony of the War Department regarding the sale of military airplanes to France.

I should like to remind the Congress also that history has proved that every nation which has had a weak army has been a weak nation. We hear of foes without and we are hearing of foes within. But are we giving attention to keeping prepared against the foes at home? How many of the Members have been thinking of preparedness in terms of rifles, for instance? We do not have too many rifles in our country today. Lately we have all been speaking of the sale of our Army secret airplanes to France. If my amendment is not in the bill at the moment under consideration, certainly airplanes, rifles, guns, and every sort of arms and munitions might go on their way to France, England, or even South America and thus weaken our own defense. While we all want to develop our trade with South America, with whom we have the most friendly relations, I do not believe we wish to ship our Army, Navy, or Marine Corps planes or arms or munitions to those countries. I strongly believe in the development of trade with the South American countries but I do not believe in selling them our Army planes for instance.

If my amendment is adopted and later we should wish to change our policy and ship our Army or Navy planes to other countries, Congress will be in session for many months and we can do that.

Let me quote from the President's message. In speaking of his preparedness program he stated as follows:

All of the above constitutes a well-rounded program, considered by me as Commander in Chief of the Army and Navy and by my advisers to be a minimum program for the necessities of defense. Every American is aware of the peaceful intentions of the Government and of the people. Every American knows that we have no thought of aggression, no desire for further territory.

Nevertheless, as the executive head of the Government, I am compelled to look facts in the face. We have a splendid asset in the quality of our manhood. But without modern weapons, and without adequate training, the men, however splendid the type, would be hopelessly handicapped if we were attacked.

The young men of this Nation should not be compelled to take the field with antiquated weapons. It would be economically unsound to provide in time of peace for all the modern equipment needed in a war emergency. But it would be nationally unsound not to provide the critical items of equipment which might be needed for immediate use and not to provide for facilities for mass production in the event of war.

Devoid of all hysteria, this program is but the minimum of requirements.

I trust, therefore, that the Congress will quickly act on this emergency program for the strengthening of the defense of the United States.

Does anyone in this House want our young men to take the field at home or abroad with antiquated methods, antiquated weapons, or antiquated aircraft? The testimony before the Senate Committee on Military Affairs by the War Department officials proves conclusively that it takes 2 years at least to train a pilot satisfactorily, and it takes a longer time also to train a pilot in the proper handling of fast airplanes. I do not believe the Members of the House would willingly weaken our defense program.

I repeat the President's own words:

Devoid of all hysteria, this program is but the minimum of requirements.

My amendment would simply defend the President's own program, the program that was endorsed on January 12. [Applause.]

[Here the gavel fell.]

Mr. IZAC. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this question of airplanes as it is being handled by the House of Representatives is entirely wrong. We cannot ship out any planes of the Army and Navy, nor can we permit any commercial firm to do so, until at least 6 months have expired from the time the second plane of that particular type is delivered to the War Department or the Navy Department. There is going to be no shipment of Navy planes or Army planes, built as such, to any foreign country, but I know you will all agree with me that we would like to keep our factories going.

We need the development of aircraft in this country. There is no gainsaying that, and a year ago, when the British sent over a group of officials to go into our facilities here for building planes, there was no squawk on the part of us here. Everybody was tickled to death that we could keep our factories going and supply the British with 300 planes. I knew they were here and you knew they were here. The other day when the French sent their officials over here I knew they were here. I knew they went out to the factory in my town and I knew they went all over this country trying to see if they could not get the best type planes to offset the advantage of the Germans in Europe.

Those people are under an entirely different set-up there than we are. They are not protected by 3,000 miles of ocean on each side. No; they have a thousand planes at their back door ready at an instant to drop bombs on defenseless people.

I shall not go into the question of the Rhine being our frontier or anything of that kind, but let me say we must have development of aircraft in this country, and if we can bring it about by having somebody else pay the bill I cannot see where the difference comes.

Another thing, we say it is all right to send cotton out there, and the gentleman from New York said that two or five million dollars' worth of cotton is a fine thing for Italy or some other country, but do you not know that cotton is the most important ingredient in munitions? Why, take your planes, take your trucks, but give me cotton, because with nitrocellulose and TNT I can blow your trucks out of the way. You have got to have cotton, and still when we talk about sending scrap iron and other materials and munitions of war, nobody ever says anything about cotton. Do not forget that if there is a world war we will have to have an absolute embargo to keep out of it. That is what we will have to have, and when you gentlemen are ready and willing to embargo cotton and the other things that we have to have in modern warfare, then I will go along with you to keep from



sending trucks and planes and any other kind of munitions out of this country.

I believe the amendment of the gentlewoman from Massachusetts should be defeated.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Of course, the amendment would not interfere with the sale of commercial airplanes or planes built as the other countries wanted to have them built. My amendment simply provides that our Army, Navy, and Marine Corps shall not be crippled with respect to munitions of war, and especially airplanes. I think it is a very protective measure and is certainly in line with the President's message to us. We have claims upon us to be prepared at home as well as against foreign invasion.

Mr. IZAC. Does not the gentlewoman realize, however, that a commercial plane is so readily changed into a war plane that the difference is not worth considering?

Mrs. ROGERS of Massachusetts. The amendment would apply to only the arms, munitions, and airplanes of our Army and Navy and not to the commercial planes. It is only a protective measure.

Mr. IZAC. The modern bombing plane today is a cargo-carrying plane. You simply take out the medicines and the other things you are shipping and put in bombs. That is the only difference.

Mrs. ROGERS of Massachusetts. Why weaken our own Army planes or take away from our own defense? That is what we all fear.

Mr. IZAC. We are not doing that. We did not appropriate enough money to keep the factory in my town going. The San Diego factory needed orders and I was glad to see the British come over here and try to get their planes from us. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I doubt that any Member of this House hates war or militarism more than I do. But world problems cover a wide range, and our international relationships are not matters for consideration at this time. I do not hesitate to say that I am not willing to throttle the trade of the people of the United States with the people of other nations simply because of the fear of armed conflict not already existing and which we have good reason to hope will be averted. As a matter of fact, I cannot bring myself to share the alarm that seems to be so widespread over the possibility that the world will soon be plunged into war—certainly not the peace-loving people of this country. After all, it seems to me that if no nation were to permit the sale of war equipment, the result would be that many nations would have to speed up preparations for war with enormous increase of the vast armaments that now burden the people of the earth and threaten the peace of mankind.

As for the amendment before the Committee, I hardly see what practical good anyone could hope to accomplish by its adoption. The Army and the Navy of the United States do not engage in the sale of airplanes or any other war equipment. As a matter of fact our advices seem to be to the effect that both arms of our Military Establishment are anxious to find an opportunity to acquire more airplanes. Certainly they are not engaged in selling airplanes and certainly they would not engage in such sales, and the same is true of the Export-Import Bank. The bank has no such authority and has not undertaken and would not for a moment undertake to finance such sales. The bank would not finance any sale contrary to the law of the country; not in any case without the consent and approval of the State Department. Only \$100,000,000 of resources are available to the Export-Import Bank. A large portion of that sum is already employed in commitments made hitherto, which in no way involve the sale of airplanes or armaments to outside nations. The practical situation is such that nothing could be done to finance sales of armaments to outside nations on a scale that would play any important part in financing a war.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mrs. ROGERS of Massachusetts. I am very glad to hear the gentleman state that he feels that airplanes now in the possession of the War Department could not be sold, and neither could munitions, if I so understood his statement, and that those in possession of or about to be in possession of the War Department or the Navy or the Marine Corps could not be sold to foreign countries.

Mr. STEAGALL. Of course when it comes to those "about to be acquired by the Army and Navy" as expressed in the language of the gentlewoman's amendment, that is a matter about which nobody here is informed.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, as a result of the gentleman's statement, I cannot see why he is unwilling to accept my amendment. It is simply a protection of our Army, Navy, and Marine Corps, and is in line with the President's own statement that it is but the minimum of requirements of our defense. My amendment has nothing to do with the purchase of commercial planes.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Massachusetts.

The question was taken; and on a division (demanded by Mrs. ROGERS of Massachusetts) there were—ayes 77, noes 150. So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: Page 2, after the period at the end of line 14, insert "Provided further, That no loans shall be made to any foreign government or political subdivision thereof or their citizens and corporations while such government or political subdivision is in default of its obligations or any part thereof to the Government of the United States."

Mr. SCHAFER of Wisconsin. Mr. Chairman, on April 13, 1934, Congress enacted the so-called Johnson Act, which prohibits the sale in the United States of the obligations of foreign governments or of their political subdivisions when such governments or their subdivisions are in default to the Government of the United States. Foreign governments now owe the Government of the United States more than \$12,000,000,000. The Johnson Act is still the law of the land, and unless we adopt this amendment which I have offered, the Congress will place the Government of the United States in a rather peculiar position.

Defaulting foreign governments will be prohibited from borrowing funds from private American investors but will be able to raid the American taxpayers' Treasury through the Export-Import Bank. My amendment carries out the intent of the Congress, as expressed by the almost unanimous vote when the Johnson Act became law on April 13, 1934, in order to protect the interests of our American taxpayers.

Adopt this amendment and prevent foreign nations who are now in default to America and who now owe our country more than \$12,000,000,000 from getting more hand-outs from our American taxpayers who are now staggering under almost unbearable tax burdens. I ask the majority leaders in charge of the bill to accept this amendment. Do not send word out to the country that although our foreign-debt-defaulting nations are not permitted to borrow from private investors, they can come to our Federal Treasury and get their hand-outs with the help of the Export-Import Bank. I sincerely hope you will accept the amendment. This is a good, sound, constructive American proposition. We should rise above party and all join together and support it. Let us place the welfare of our country above the welfare of our party and the welfare of foreign debt defaulters.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. FERGUSON. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. FERGUSON: On page 2, line 11, after the semicolon, strike out the remainder of the section.

Mr. FERGUSON. Mr. Chairman, I am not really sincere in offering this amendment which would keep the limit of the Commodity Credit Corporation at \$500,000,000, its present maximum. I do this to call the attention of the House to the fact that if the Federal Reserve System was actually functioning as it can and should there would be no necessity for the Commodity Credit Corporation.

I will read from the last act of the Federal Reserve System:

Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange secured by staple agricultural products.

And it goes on to say:

Make advances exclusively to producers of staple agricultural products in their raw state shall be eligible for discount.

Under our present Federal Reserve System any local bank could make a loan to a producer of an agricultural product. In case he had to make loans in excess of his deposit limitations he is perfectly eligible to rediscount that paper with the Federal Reserve System.

It seems strange to me that we should continue emergency organizations as loaning agencies when we have a system that could loan all the money necessary to operate our businesses so that they would not have to go through the Reconstruction Finance Corporation when in distress. In fact, that same thing is taken care of in the last act passed amending the Federal Reserve Act in 1934, which provides for direct loans to industries.

But with all these powers that Congress has given the Federal Reserve System, today there is rediscounted with the Federal Reserve System only \$10,000,000 of notes from member banks, and only \$25,000,000 in loans under the industry clause. Thirty-five million dollars is all that is loaned through the Federal Reserve System to finance business and agriculture, when they have excess reserves, held by their member banks, that amount to a hundred times that \$35,000,000.

I would like to see the Federal Reserve function, and with that in view today I inserted in the Record a bill which instructs the Federal Reserve bank to accept for rediscount any note offered by a member bank that has been classified in group 1, that is, a collectible note, at the last examination by the Federal Reserve examiners—their own examiners. Thus a bank would know that it would have a ready market for its paper when the time came that it was in need, and not be forced to put up \$3 worth of paper for every dollar it received when it was in dire distress and needed a place to rediscount its funds.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. CRAWFORD. With \$3,500,000,000 which the member banks hold as excess reserves, there is no reason at all why banks should go to the Federal Reserve bank for the purpose of discounting paper.

Mr. FERGUSON. Of course not. The member banks can loan that money in excess reserve, but they have had the terrible experience that they went through in 1931, 1932, and 1933, when deposits went down and loans went up, and they are not going to take a chance until they know where they can get the money in another emergency situation such as we had at that time.

Mr. CRAWFORD. In other words, the bill which the gentleman has introduced, I understand, further authorizes the Federal Reserve banks to discount paper which they cannot discount now?

Mr. FERGUSON. No. It does not change the security requirements at all, but it directs the Federal Reserve bank to accept at face value any note classified in group 1, as they now call it, at the last examination, and its extends the time from 90 days to 2 years, so that they can take any pay-

ment paper, like on automobiles or electric refrigerators. We would need no Electric Home and Farm Authority if they could rediscount that paper, and the banks knew that any time they needed to they could rediscount the paper.

Mr. CRAWFORD. In other words, your proposal is entirely in line with the recommendations and suggestions recently made to the banks by Chairman Jesse Jones of the Reconstruction Finance Corporation, wherein he pleads with them to finance that type of paper?

Mr. FERGUSON. Yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 2, line 3, following the word "inserting", strike all out down to the semicolon in line 11, and insert in lieu thereof the following:

"Sec. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington, District of Columbia, a banking corporation organized under the laws of the District of Columbia as an agency of the United States, pursuant to Executive orders of the President, shall continue until June 30, 1941, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States and in addition to existing charter powers and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, said banking corporation is hereby authorized and empowered to discount notes, drafts, bills of exchange, and other evidences of debt for the purpose of aiding in the financing and facilitating exports and imports and the exchange of commodities between the United States and any of its Territories and insular possessions and any foreign country or the agencies or nationals thereof, and, with the approval of the Secretary of the Treasury, to borrow money and rediscount notes, drafts, bills of exchange, and other evidences of debt for the purposes aforesaid. During the continuance of such agency the Secretary of State and the Secretary of Commerce are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of said banking corporation, and it is hereby authorized to use all of its assets, including capital and net earnings therefrom, except such earnings as may be required from time to time to pay dividends upon its preferred capital stock, and to use all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its function as such an agency: *Provided further*, Notwithstanding any existing charter powers of the Export-Import Bank of Washington, the said Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock."

Mr. SMITH of Ohio. Mr. Chairman, yesterday I pointed out to the House a gross inconsistency in the text of this statute. The law as it reads at the present time provides for two banks, notwithstanding any other provision of law: The Export-Import Bank of Washington and the Second Export-Import Bank of Washington. This is the law we are now amending.

The amendment to this law as provided in the bill now under consideration provides that the Export-Import Bank of Washington—the Export-Import Bank of Washington—not the Second Export-Import Bank of Washington, merely the Export-Import Bank of Washington—"shall not have outstanding at any one time loans in excess of \$100,000,000." The provision which limits the amount of money outstanding here certainly does not apply to the Second Export-Import Bank of Washington; it applies to only the one.

It is true that by Executive order both these banks were created. By Executive order also the Second Export-Import Bank of Washington was dissolved, but there is nothing in this text, there is nothing in the law, which indicates that this Second Export-Import Bank may not be reestablished by Executive order. There is no question about that.

All this amendment does is to clarify this particular point. It was necessary to rewrite the whole text, because there are 11 places where the plural is used, and it was necessary to



change it to the singular. This amendment, as I state, simply clarifies this law. It merely states that this amount outstanding shall be limited to this one bank alone.

Let me call attention to another feature of this bill. As it stands at the present time I contend that there is no limitation to the amount of funds that may be outstanding at any one time, because the power still exists under this law to re-create by Executive order this Second Export-Import Bank of Washington.

Only one other change is made by my amendment. The charter of the first Export-Import Bank of Washington provides that the Corporation reserves the right to amend, alter, or change any provision contained in the certificate of incorporation in any manner prescribed by statute, and the act as now written provides: "In addition to existing charter powers"—in addition to existing charter powers—"certain grants are herein provided." The point is simply that there is a question as to whether this bank, the Export-Import Bank of Washington, may not have the power to amend its own charter over and above the law itself, because the law specifically provides: "And in addition to the existing charter powers." In order, therefore, to clarify that point and make certain that there can be no misinterpretation of the law, I have simply provided in this amendment as follows:

Notwithstanding any existing charter powers of the Export-Import Bank of Washington, the said Export-Import Bank of Washington shall—

And so forth. It is to be seen, therefore, that the amendment I now offer is merely a clarification of the law. It is an amendment that is just and fair. It simply says in plain English what I believe every Member of Congress means this law to say; and I am asking, therefore, that this amendment do pass.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, we discussed somewhat this same proposition on yesterday. The gentleman's own admission shows that it is not necessary to have this amendment. Originally, of course, there were two export-import banks. Under Executive order of the President the Second Export-Import Bank was discontinued, it was dissolved. It has been completely liquidated, and there were no losses in connection with it at all. The assets were taken over by the present Export-Import Bank.

Existing law covers every feature in connection with the operation of the Export-Import Bank. I ask, therefore, that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 61, noes 103.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, pursuant to House Resolution 96, he reported the same back to the House with sundry amendments.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit, which I send to the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill to the Committee on Banking and Currency, with instructions to report the same back to the House forthwith, with the following amendment: On page 2, after line 14, add a new section and the following: "Provided, That not more than \$5,000,000 may be loaned by the Export-Import Bank annually to finance the sale and export of commodities to any nation, person, or persons outside of the Western Hemisphere without the consent of Congress: *Provided further*, That the Export-Import Bank of Washington shall not make loans the proceeds of which are to be used for, or in any aid of, the purchase for export of arms and munitions, including airplanes, now in the possession of or to be acquired by the United States Army, Navy, or Marine Corps, except with the consent of Congress.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 107, noes 169.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 149, nays 202, not voting 82, as follows:

[Roll No. 15]

YEAS—149

Alexander	Eaton, Calif.	Johnson, Ind.	Rich
Allen, Ill.	Eaton, N. J.	Jones, Ohio	Risk
Andersen, H. Carl	Engel	Kean	Robison, Ky.
Anderson, Calif.	Englebright	Keefe	Rodgers, Pa.
Andresen, A. H.	Fenton	Kinzer	Rogers, Mass.
Andrews	Flah	Kunkel	Routzohn
Angell	Ford, Leland M.	Lambertson	Rutherford
Arends	Gamble	Landis	Sandager
Ball	Gartner	LeCompte	Schafer, Wis.
Barton	Gearhart	Lemke	Shafer, Mich.
Bates, Mass.	Gehrmann	Lewis, Ohio	Simpson
Bender	Gerlach	Lord	Smith, Maine
Blackney	Gifford	Luce	Smith, Ohio
Bolles	Gilchrist	Ludlow	Springer
Bolton	Gillie	McDowell	Stearns, N. H.
Bradley, Mich.	Graham	McLean	Stefan
Brewster	Grant, Ind.	McLeod	Sumner, Ill.
Brown, Ohio	Griswold	Maas	Taber
Burdick	Gross	Mapes	Talle
Carlson	Guyer, Kans.	Marshall	Taylor, Tenn.
Carter	Gwynne	Martin, Iowa	Thill
Case, S. Dak.	Hall	Martin, Mass.	Thorkelson
Chapfield	Halleck	Michener	Tibbott
Church	Hancock	Miller	Tinkham
Clason	Harness	Monkiewicz	Treadway
Clevenger	Harter, N. Y.	Mott	Van Zandt
Cole, N. Y.	Hawks	Mundt	Vorvys, Ohio
Crawford	Heinke	Murray	Vreeland
Crowther	Hess	Oliver	Welch
Culkin	Hinshaw	Osmer	Wheat
Curtis	Hoffman	Pierce, N. Y.	White, Ohio
Darrow	Holmes	Pittenger	Wigglesworth
Dirksen	Hope	Plumley	Williams, Del.
Ditter	Hull	Powers	Wolcott
Dondero	Jeffries	Reece, Tenn.	Youngdahl
Douglas	Jenkins, Ohio	Reed, Ill.	
Dowell	Johns	Reed, N. Y.	
Dworshak	Johnson, Ill.	Rees, Kans.	

NAYS—202

Allen, La.	Coffee, Wash.	Ford, Thomas F.	Keogh
Allen, Pa.	Cole, Md.	Fries	Kerr
Arnold	Colmer	Fulmer	Kilday
Ashbrook	Connery	Garrett	Kirwan
Barnes	Cooley	Gathings	Kitchens
Barry	Cooper	Geyer, Calif.	Kleberg
Bates, Ky.	Costello	Gibbs	Kramer
Beckworth	Cox	Gore	Lanham
Bell	Crosser	Gossett	Larrabee
Bland	Crowe	Grant, Ala.	Lea
Boehne	Cullen	Green	Lewis, Colo.
Boland	D'Alesandro	Gregory	McAndrews
Boren	Delaney	Griffith	McCormack
Bradley, Pa.	Dempsey	Hare	McGehee
Brooks	DeRouen	Hart	McGranery
Brown, Ga.	Doxey	Healey	McLaughlin
Buckler, Minn.	Drewry	Hendricks	McMillan, John L.
Bulwinkle	Duncan	Hill	Magnuson
Burch	Dunn	Hobbs	Mahon
Burgin	Durham	Hook	Mansfield
Byrns, Tenn.	Eberharter	Hunter	Marcantonio
Byron	Edmiston	Izac	Martin, Colo.
Caldwell	Elliot	Jacobsen	Martin, Ill.
Cannon, Fla.	Ellis	Jarman	Massingale
Cannon, Mo.	Evans	Johnson, Luther A.	May
Cartwright	Faddis	Johnson, Lyndon	Merritt
Celler	Ferguson	Johnson, Okla.	Mills, Ark.
Chapman	Fitzpatrick	Johnson, W. Va.	Mills, La.
Clark	Flaherty	Jones, Tex.	Monroney
Claypool	Flannagan	Kee	Moser
Cochran	Folger	Keller	Mouton
Coffee, Nebr.	Ford, Miss.	Kennedy, Martin	Murdock, Ariz.

Murdock, Utah	Ramspeck	Shannon	Thomason
Myers	Randolph	Sheppard	Toian
Nelson	Rankin	Sirovich	Turner
Norrell	Rayburn	Smith, Conn.	Vincent, Ky.
O'Connor	Richards	Smith, Ill.	Vinson, Ga.
O'Day	Robertson	Smith, Va.	Voorhis, Calif.
O'Neal	Robinson, Utah	Smith, Wash.	Wallgren
O'Toole	Rogers, Okla.	Smith, W. Va.	Walter
Owen	Romjue	Snyder	Warren
Pace	Ryan	South	Weaver
Parsons	Sabath	Sparkman	West
Patman	Sacks	Spence	Whelchel
Patrick	Satterfield	Starnes, Ala.	Whittington
Pearson	Schaefer, Ill.	Stegall	Williams, Mo.
Peterson, Fla.	Schulte	Sutphin	Wood
Peterson, Ga.	Schwert	Tarver	Woodrum, Va.
Pierce, Oreg.	Scrugham	Tenerowicz	Zimmerman
Poage	Secrest	Terry	
Polk	Shanley	Thomas, Tex.	

## NOT VOTING—82

Anderson, Mo.	Dies	Kennedy, Md.	Rockefeller
Austin	Dingell	Kennedy, Michael	Sasser
Barden	Disney	Knutson	Schiffler
Beam	Doughton	Kocalkowski	Schuetz
Bloom	Elston	Leavy	Secombe
Boykin	Fay	Lesinski	Seger
Bryson	Fernandez	McArdle	Short
Buck	Flannery	McKeough	Somers, N. Y.
Buckley, N. Y.	Gavagan	McMillan, Thos. S.	Sullivan
Byrne, N. Y.	Goldsborough	McReynolds	Sumners, Tex.
Casey, Mass.	Harrington	Maciejewski	Sweeney
Chandler	Harter, Ohio	Maloney	Taylor, Colo.
Cluett	Hartley	Mason	Thomas, N. J.
Collins	Havener	Mitchell	Thomson, N. J.
Corbett	Hennings	Nichols	White, Idaho
Creal	Horton	Norton	Winter
Cummings	Houston	O'Brien	Wolfenden, Pa.
Curley	Jarrett	O'Leary	Wolverton, N. J.
Daly	Jenks, N. H.	Patton	Woodruff, Mich.
Darden	Jensen	Pfeifer	
Dickstein	Kelly	Rabaut	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Winter (for) with Mr. Bloom (against).  
 Mr. Short (for) with Mr. Kelly (against).  
 Mr. Wolfenden of Pennsylvania (for) with Mr. Sullivan (against).  
 Mr. Thomas of New Jersey (for) with Mr. Maloney (against).  
 Mr. O'Brien (for) with Mr. Kocalkowski (against).  
 Mr. Mason (for) with Mr. Fernandez (against).  
 Mr. Secombe (for) with Mr. Maciejewski (against).  
 Mr. Elston (for) with Mr. O'Leary (against).  
 Mr. Woodruff of Michigan (for) with Mr. Anderson of Missouri (against).  
 Mr. Jensen (for) with Mr. Pfeifer (against).  
 Mr. Jenks of New Hampshire (for) with Mr. Lesinski (against).  
 Mr. Hartley (for) with Mr. Gavagan (against).

Until further notice:

Mr. Beam with Mr. Wadsworth.  
 Mr. Dies with Mr. Austin.  
 Mr. Doughton with Mr. Wolverton of New Jersey.  
 Mr. McReynolds with Mr. Cluett.  
 Mr. Sumners of Texas with Mr. Knutson.  
 Mr. Schuetz with Mr. Seger.  
 Mr. Boykin with Mr. Jarrett.  
 Mr. Collins with Mr. Corbett.  
 Mr. Rabaut with Mr. Horton.  
 Mr. Taylor of Colorado with Mr. Rockefeller.  
 Mr. Dingell with Mr. Schiffler.  
 Mr. Creal with Mr. Winter.  
 Mr. Curley with Mr. Mitchell.  
 Mr. McArdle with Mr. Sweeney.  
 Mr. Disney with Mr. White of Idaho.  
 Mr. Somers of New York with Mr. Bryson.  
 Mr. Harrington with Mr. Fay.  
 Mr. Nichols with Mr. Buckley of New York.  
 Mr. Hennings with Mr. Darden.  
 Mr. Casey of Massachusetts with Mr. Flannery.  
 Mr. McKeough with Mr. Harter of Ohio.  
 Mr. Barden with Mr. Leavy.  
 Mr. Byrne of New York with Mr. Thomas S. McMillan.  
 Mr. Patton with Mr. Daly.  
 Mr. Michael J. Kennedy with Mr. Havener.  
 Mr. Chandler with Mrs. Norton.  
 Mr. Dickstein with Mr. Buck.  
 Mr. Houston with Mr. Sassa.  
 Mr. Cummings with Mr. Kennedy of Maryland.

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. FLANNERY, is unavoidably detained. If he had been present, he would have voted "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 280, nays 77, not voting 76, as follows:

[Roll No. 16]

YEAS—280

Alexander	Dunn	Keller	Powers
Allen, Ill.	Durham	Kennedy, Martin	Ramspeck
Allen, La.	Dworshak	Keogh	Randolph
Allen, Pa.	Eaton, Calif.	Kerr	Rankin
Anderson, Calif.	Eberhart	Kilday	Rayburn
Andresen, A. H.	Edmiston	Kirwan	Reece, Tenn.
Arends	Elliott	Kitchens	Reed, Ill.
Arnold	Ellis	Kleberg	Rees, Kans.
Ashbrook	Engel	Kramer	Richards
Barnes	Englebright	Kunkel	Robertson
Barry	Evans	Landis	Robinson, Utah
Barton	Faddis	Lanham	Rogers, Okla.
Bates, Ky.	Ferguson	Larrabee	Romjue
Beckworth	Fish	Lea	Routzohn
Bell	Fitzpatrick	Leavy	Ryan
Blackney	Flaherty	LeCompte	Sabath
Bland	Flannagan	Lemke	Sacks
Bloom	Folger	Lewis, Colo.	Satterfield
Boehne	Ford, Miss.	Lewis, Ohio	Schaefer, Ill.
Boland	Ford, Thomas F.	Ludlow	Schiffler
Boren	Fries	McAndrews	Schulte
Boykin	Fulmer	McCormack	Schwert
Bradley, Pa.	Garrett	McGehee	Scrugham
Brewster	Gathings	McGanery	Secrest
Brooks	Gavagan	McLaughlin	Shanley
Brown, Ga.	Gearhart	McMillan, John L.	Shannon
Brown, Ohio	Gehrmann	McMillan, Thos. S.	Sheppard
Buckler, Minn.	Geyer, Calif.	Maas	Sirovich
Bulwinkle	Gibbs	Magnuson	Smith, Conn.
Burch	Gilchrist	Mahon	Smith, Ill.
Burdick	Gillie	Mansfield	Smith, Va.
Burgin	Gore	Mapes	Smith, Wash.
Byrne, N. Y.	Gossett	Marcantonio	Smith, W. Va.
Byrns, Tenn.	Grant, Ala.	Martin, Colo.	Snyder
Byron	Grant, Ind.	Martin, Ill.	South
Caldwell	Green	Martin, Iowa	Sparkman
Cannon, Fla.	Gregory	Massingale	Spence
Cannon, Mo.	Griffith	May	Springer
Carlson	Guyer, Kans.	Merritt	Starnes, Ala.
Cartwright	Gwynne	Michener	Stegall
Celler	Halleck	Mills, Ark.	Stefan
Chapman	Hare	Mills, La.	Sumner, Ill.
Chipherfield	Harness	Monroney	Sutphin
Church	Harrington	Moser	Talle
Clark	Hart	Mott	Tarver
Claypool	Healey	Mouton	Taylor, Colo.
Cochran	Hendricks	Mundt	Tenerowicz
Coffee, Nebr.	Hennings	Murdock, Ariz.	Terry
Coffee, Wash.	Hill	Murdock, Utah	Thomas, Tex.
Cole, Md.	Hinshaw	Myers	Thomason
Colmer	Hobbs	Nelson	Thorkelson
Connery	Hook	Nichols	Tibbott
Cooley	Hope	Norrell	Tolan
Cooper	Horton	O'Connor	Turner
Costello	Hull	O'Day	Vincent, Ky.
Cox	Hunter	O'Neal	Vinson, Ga.
Crawford	Izac	O'Toole	Voorhis, Calif.
Crosser	Jacobsen	Owen	Wallgren
Crowe	Jarman	Pace	Walter
Cullen	Jenkins, Ohio	Parsons	Warren
Curtis	Jensen	Patman	Weaver
D'Alesandro	Johnson, Ill.	Patrick	Welch
Delaney	Johnson, Ind.	Pearson	West
Dempsey	Johnson, Luther A.	Peterson, Fla.	Wheat
DeRouen	Johnson, Lyndon	Peterson, Ga.	Whelchel
Dirksen	Johnson, Okla.	Pfeifer	White, Ohio
Dowell	Johnson, W. Va.	Pierce, Oreg.	Whittington
Doxey	Jones, Ohio	Pittenger	Williams, Mo.
Drewry	Jones, Tex.	Poage	Wood
Duncan	Kee	Polk	Woodrum, Va.

NAYS—77

Andersen, H. Carl	Gamble	Lord	Shafer, Mich.
Andrews	Gartner	Luce	Simpson
Angell	Gerlach	McLean	Smith, Maine
Ball	Gifford	Marshall	Smith, Ohio
Bates, Mass.	Graham	Martin, Mass.	Starnes, N. H.
Bender	Griswold	Miller	Taber
Bolles	Gross	Monkiewicz	Taylor, Tenn.
Bolton	Hall	Murray	Thill
Bradley, Mich.	Hancock	Oliver	Tinkham
Clason	Harter, N. Y.	Osmer	Treadway
Clevenger	Hawks	Pierce, N. Y.	Van Zandt
Cole, N. Y.	Heinke	Plumley	Vorys, Ohio
Crowther	Hess	Reed, N. Y.	Vreeland
Culkin	Hoffman	Risk	Wigglesworth
Darrow	Holmes	Robison, Ky.	Williams, Del.
Ditter	Jarrett	Rodgers, Pa.	Wolcott
Dondero	Johns	Rogers, Mass.	Youngdahl
Douglas	Kean	Rutherford	
Eaton, N. J.	Keefe	Sandager	
Fenton	Kinzer	Schafer, Wis.	

NOT VOTING—76

Anderson, Mo.	Bryson	Case, S. Dak.	Collins
Austin	Buck	Casey, Mass.	Corbett
Barden	Buckley, N. Y.	Chandler	Creal
Beam	Carter	Cluett	Cummings



Curley	Hartley	McLeod	Secombe
Daly	Havener	McReynolds	Seger
Darden	Houston	Maclejewski	Short
Dickstein	Jeffries	Maloney	Somers, N. Y.
Dies	Jenks, N. H.	Mason	Sullivan
Dingell	Kelly	Mitchell	Sumners, Tex.
Disney	Kennedy, Md.	Norton	Sweeney
Doughton	Kennedy, Michael	O'Brien	Thomas, N. J.
Elston	Knutson	O'Leary	Wadsworth
Fay	Kocalkowski	Patton	White, Idaho
Fernandez	Lambertson	Rabaut	Winter
Flannery	Lesinski	Rich	Wolfenden, Pa.
Ford, Leland M.	McArdle	Rockefeller	Wolverton, N. J.
Goldsborough	McDowell	Sasscer	Woodruff, Mich.
Harter, Ohio	McKeough	Schuetz	Zimmerman

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Winter (for) with Mr. Woodruff of Michigan (against).  
Mr. Sullivan (for) with Mr. Wolfenden of Pennsylvania (against).

General pairs:

Mr. Kelly with Mr. Short.  
Mr. Maloney with Mr. Thomas of New Jersey.  
Mr. Kocalkowski with Mr. O'Brien.  
Mr. Fernandez with Mr. Mason.  
Mr. Maciejewski with Mr. Secombe.  
Mr. O'Leary with Mr. Elston.  
Mr. Lesinski with Mr. Jenks of New Hampshire.  
Mr. Beam with Mr. Wadsworth.  
Mr. Dies with Mr. Austin.  
Mr. Doughton with Mr. Wolverton of New Jersey.  
Mr. McReynolds with Mr. Cluett.  
Mr. Somers of New York with Mr. Knutson.  
Mr. Schuetz with Mr. Seger.  
Mr. Collins with Mr. Corbett.  
Mr. Rabaut with Mr. Hartley.  
Mr. Dingell with Mr. Rockefeller.  
Mr. Zimmerman with Mr. Carter.  
Mr. Anderson of Missouri with Mr. McLeod.  
Mr. Creal with Mr. Jefferies.  
Mr. Disney with Mr. Lambertson.  
Mr. Darden with Mr. Rich.  
Mrs. Norton with Mr. McDowell.  
Mr. Patton with Mr. Case of South Dakota.  
Mr. Harter of Ohio with Mr. Leland M. Ford.  
Mr. Houston with Mr. Buck.  
Mr. McKeough with Mr. Flannery.  
Mr. Casey of Massachusetts with Mr. White of Idaho.  
Mr. Fay with Mr. Mitchell.  
Mr. Sweeney with Mr. Barden.  
Mr. Kennedy of Maryland with Mr. Curley.  
Mr. Bryson with Mr. Michael J. Kennedy.  
Mr. Dickstein with Mr. Sasscer.  
Mr. Chandler with Mr. Havener.  
Mr. Buckley of New York with Mr. Cummings.  
Mr. Daly with Mr. Goldsborough.

Mr. CHIPERFIELD and Mr. GILLIE changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### HOURLY MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, as I understand, the program is to complete general debate on the Navy bill tomorrow and also read the bill for amendment as far as we can, with the possible exception of the consideration of the provision relating to Guam, which will go over to Thursday.

Mr. RAYBURN. The gentlemen on this side are willing, if they can complete general debate tomorrow and read the bill for amendment, to allow the vote on Guam to go over to Thursday morning.

Mr. MARTIN of Massachusetts. That is not quite clear. Will the debate on Guam be tomorrow?

Mr. RAYBURN. That is the hope. The gentleman understands this is a short bill.

Mr. MARTIN of Massachusetts. I wonder if it would not be well to meet Thursday morning at 11 o'clock and allow the Members a half hour then for discussion of the provision regarding the development at Guam.

Mr. RAYBURN. I believe we can easily agree on allowing half an hour for its discussion after meeting Thursday.

Mr. MARTIN of Massachusetts. I do not want to be too insistent on it, but I believe putting the vote over to Thursday will really accommodate most of the Members.

Mr. RAYBURN. The general debate and practically all the debate on the bill will be concluded tomorrow, but I do not believe there would be objection to allowing, say, 30 minutes for debate on Thursday morning.

Mr. MARTIN of Massachusetts. Let us have this understanding, then, that tomorrow we shall complete the consideration of the bill, with the possible exception of the Guam provision, and the vote in the Committee on that question will be on Thursday.

Mr. RAYBURN. The vote in the Committee on the Guam provision will be on Thursday.

Mr. VINSON of Georgia. The vote will be on Thursday morning.

Mr. MARTIN of Massachusetts. And that we shall be allowed 30 minutes for discussing that question on Thursday morning.

Mr. MAPES. Reserving the right to object, Mr. Speaker, there will be no vote tomorrow even in Committee on the Guam question?

Mr. RAYBURN. The gentleman is correct, and we are perfectly willing to agree to 30 minutes' debate on that question on Thursday morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, on the activities of the Export-Import Bank, and a summary of the R. F. C. activities since its organization on February 2, 1932.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### LEAVE OF ABSENCE

Mr. BOREN. Mr. Speaker, I should like to announce the unavoidable absence of my colleague the gentleman from Oklahoma, Mr. DISNEY, due to illness, and I ask unanimous consent that he may be granted an indefinite leave of absence pending his complete recovery.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### EXTENSION OF REMARKS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an address delivered by the gentleman from Wisconsin [Mr. JOHNS] at Johnson City, Tenn.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SHANLEY asked and was given permission to extend his own remarks in the RECORD.

#### NAVAL AVIATION FACILITIES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 98 and ask for its immediate consideration.

The Clerk read the resolution as follows:

#### House Resolution 98

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4278, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

Mr. COX. Mr. Speaker, of the time allowed for the consideration of the resolution I yield 30 minutes to the gentleman from New York [Mr. FISH] to be in turn yielded by him as he sees fit. I yield myself 5 minutes.

Mr. Speaker, the pending resolution makes provision for the consideration of H. R. 4278, a bill reported by the Committee on Naval Affairs, which provides for 12 aviation developments, the cost of which will not exceed \$52,000,000.

This proposition is not new. In the measure approved May 17 of last year, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes, authorization for the setting up of a board was contained. Under this authority a board was appointed and in accordance with the instructions of the measure did make investigation and did report on the need for additional naval bases to protect the coast of the United States, its Territories, and its possessions.

The bill now proposed—H. R. 4278—is to authorize the Navy Department to carry out certain recommendations of the board. The Navy Department in its report states that it considers the immediate provision of these bases to be sound and conservative for peacetime operations and as measures of preparedness upon which to base wartime expenditures.

Mr. Speaker, it seems the only part of the bill which is controversial is that which provides for certain developments at Guam. I wish to state that I had entertained some apprehensions with regard to the proposal to improve Guam, but, after my examination of the hearings before the Committee on Naval Affairs, those fears were altogether dissipated.

Admiral Leahy, when he appeared before the committee considering this bill, gave the following evidence:

The authorization in the bill now before this committee does not provide for the development of a base at Guam. It requests only authority to make improvements in the facilities for handling airplanes. As an expression of my own personal opinion in regard to the value of a base at Guam, I may say that it is my understanding that the United States has at no time in its history entertained offensive designs against any nation, and that the permanent military policy of the United States is defensive.

The establishment of a base for submarines and aircraft on the island of Guam would be extremely valuable in augmenting the defensive power of the American Fleet because no foreign power would like to project an advance in force across the Pacific without first reducing such a base—

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield myself 5 additional minutes. Continuing, the admiral said:

If the United States is to continue the maintenance of an Asiatic squadron, it is necessary that a base for repairs be available in the Western Pacific Hemisphere somewhere.

If the United States is to withdraw entirely from the western Pacific, and to also leave the defense of the Philippine Islands to the natives thereof without any assistance, the whole value of an airplane and submarine base at Guam would be its deterrent effect on anybody contemplating a hostile move from the general area toward the Hawaiian Islands.

Continuing the admiral said:

If the United States expects to afford any assistance in the event of the Philippines being attacked by a foreign power, a base at Guam would be invaluable.

A strong, fully equipped base at Guam capable of protecting itself against an attack, together with the fleet available if the present international naval ratios are maintained, would practically prohibit an invasion of the Philippine Islands, and would add greatly to the difficulty of attacking from the Pacific Ocean any American territory.

The necessity for a fully equipped base at Guam seems to depend entirely on the national policy, for which the Navy has no responsibility.

So, Mr. Speaker, it appears that there is nothing in the proposed expenditure at Guam that should disturb anyone and I urge my colleagues to carefully examine the hearings before the committee, for I am sure that such examination will satisfy the most of you and your opposition to the measure, if not withdrawn, will at least be less determined. [Applause.]

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

LXXXIV—108

Mr. COLMER. Mr. Speaker, this is a naval preparedness bill that we are to consider here, and I may say at the outset of these few remarks that I believe in this country being prepared for defensive warfare. I think the country should be prepared and I think it should be prepared in time of peace and not wait until war is actually upon us.

As my distinguished colleague [Mr. Cox] has just said, the only controversial feature of this bill is the question of Guam. I believe the people of the United States as a whole believe that we ought to prepare in time of peace. I think we are agreed upon that, and I would just like to say in passing that one of the most admirable spectacles I have witnessed since I have been in this House was the lack of partisanship that was shown in the consideration of the military bill that we discussed here last week. I hope this bill may be approached from that same unbiased and unpartisan angle, because if there is one thing that Republicans and Democrats alike should agree upon, it is upon the question of patriotism and especially upon those questions affecting the security of our common country in time of war.

I approached this question of Guam with an open mind. I listened to the learned chairman of the Naval Affairs Committee, Mr. VINSON of Georgia, when he was before the Rules Committee, and I tried to reason this thing out from a logical standpoint and from a patriotic standpoint, and, frankly, I am afraid of this Guam proposition. I know there is a division of opinion on it, and I know there is a division of opinion among the military and the naval experts, and I know this House is going to try to arrive at the proper conclusion. In the next place, let me say that if it were just a matter of how Guam is affected by this particular bill I would have no apprehension about it, because this bill, of itself, is absolutely inoffensive from any point of view to any other country or to stirring up of international strife. The bill merely authorizes the deepening of the harbor at Guam, but then the question arises, if that is all there is in this bill, why was this provision reported out by the Naval Affairs Committee? Why did it not come through the regular channels with respect to all river and harbor development and be reported out by the Rivers and Harbors Committee? When we undertake to develop other rivers and harbors in the country or in the insular possessions, we let them come through the regular course just as all other river and harbor legislation.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. MAGNUSON. I think we ought to clear up, before we start, the matter of Guam coming under the jurisdiction of the Committee on Rivers and Harbors. The House should know that Guam is under the jurisdiction of the Naval Committee, put there during the time of President McKinley, after the Spanish-American War, and therefore the Committee on Rivers and Harbors does not have jurisdiction over this matter, and if the harbor at Guam is to be deepened, it must be done by the Navy Department.

Mr. COLMER. Mr. Speaker, I am just wondering if the gentleman is fully and correctly advised about that proposition. I made some investigation of the matter myself, and it is my opinion, after this investigation, and I was so advised by those in a position to speak authoritatively, that both committees possibly would have current jurisdiction of the matter.

The SPEAKER pro tempore (Mr. MURDOCK of Utah). The time of the gentleman from Mississippi has expired.

Mr. COX. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. COLMER. So it seems at best they would have concurrent jurisdiction. What do we find? We find a war-torn and alarmed world. We are sitting on the edge, and all nations are nervous and irritable, and we have this country protesting all of the time its good-neighbor policy—protesting any desire toward aggression. We should follow that out in deed as well as in words. So I think we should approach this matter rather carefully.



I do not think I would be opposed to this under other circumstances. I do not know the necessity from an economic point of view for the development of this harbor for our commercial or even naval purposes, but I doubt that it should be approached in this manner. Here is an island 5,428 miles from the Pacific coast, over there close to another country with which they say we are not on such friendly terms. If we do not desire aggression, why should we attempt to do anything at this particular time that would prove offensive or would add to the nervous tension of the world?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. COX. The gentleman will recall, I am sure, that on the application for a rule before the Committee on Rules evidence was presented in the form of a telegram which represented the attitude of the Japanese with respect to this proposal to improve the harbor of Guam.

Mr. COLMER. I say to my friend that I heard that telegram read by one of the minority Members. I am not sure just what the full portent of that was, but I must get back to the proposition, and I am sure that my friend, who has a level head on all occasions, would rather that this question would not come up at this time. As I said at this time, there is nothing partisan about that. We have to go out there over 3,000 miles beyond Hawaii, under this bill, to fortify an island. It will be like hoisting a red flag over there, to add to the jittery condition of a world torn with dissension. It was also brought out that it is not proposed to fortify this island. Let us reason about that.

If you are not going to fortify the island, then why do anything about it? In other words, why go in there and deepen the harbor that would be useful to Japan or some other country, because we would not be able to protect it if we did not have any fortifications?

Mr. COX. If the island is not to be used at some time for strengthening our national defense, then what purpose could there be?

Mr. COLMER. As far as I am concerned, rather than go over there and have a war about a corral reef, I would be willing to let them have it. I am not a naval or a military expert, and I don't know just what advantage it would be, but I do know that it is now proposed to do something more than to dredge that harbor, because I hold in my hand a bill recently introduced, on January 19, by the distinguished chairman of the Committee on Naval Affairs, to build some barracks over there at a cost of some \$75,000. What I am apprehensive of, let me say to my good friend from Georgia and others who are interested, is that I am afraid that this might be an entering wedge to build up a fortified island nearly 5,000 miles from our coast line, that later would serve to get us into trouble, and I think it is a matter that ought to be most carefully considered by this House.

Of course, Mr. Speaker, you and I know that it is the purpose eventually of the naval authorities to fortify this island. In fact, the Hepburn report discloses that that committee recommended such a course. Moreover, it has been estimated, I believe, by the naval authorities that it would cost \$88,000,000 for the fortification and something like seventy million for a naval and air base. That means that, if we were to follow the Hepburn recommendation, we would expend a total of approximately \$150,000,000 for the defense of a little island 6 miles wide and 30 miles long situated 5,428 miles from our coast and approximately 1,400 miles from Japan. That they do intend to fortify it is shown on page 22 of the printed hearings. Admiral Leahy was asked if it was not possible that the Navy Department at a later date would make further recommendations "to guarantee national defense" for Guam and other localities. Admiral Leahy replied, "It is reasonable to assume that the Department will make such recommendations at a later date."

Now, as I said in the premises, I believe in national defense. I do not believe in aggression or anything that smacks of it. Every utterance that I have made on this floor or elsewhere reflects that position. But I am compelled to view with some alarm the policy of fortifying an island that far from

home by a nation that has ever protested any desire for conquest.

If the island is not to be fortified eventually, then we are wasting \$5,000,000, and, more than that, we might be building for Japan or some other aggressive nation who would take it away from us and use it against us. On the other hand, I am unalterably opposed to expending such a huge sum as \$150,000,000 to fortify it. Viewed from either point of view it is a bad investment. [Applause.]

Mr. FISH. Mr. Speaker, I yield myself 15 minutes. I know of no more dangerous and provocative proposal that could come before the House in these days of war hysteria and fear and dread of war than this matter of Guam. Appeals have been made to emotionalism and fear throughout the length and breadth of this land that have created war hysteria to such an extent that only a short time ago the people of the great State of New Jersey, listening into the radio, even thought they were being invaded by warriors from Mars. There is no denying the fact that the American people have been alarmed by all of this talk and thought of war, and if the women really believed one-half they read in the newspapers, and one-half they heard over the radio, they would look under their beds every night to see if there was not some Jap or German or Italian there ready to pounce on poor little defenseless America and gobble up both North and South America at one bite.

As Al Smith used to say, "Let's look at the record." What does the record disclose? The record discloses that instead of being a poor, weak, defenseless nation, like China or Abyssinia, we have the greatest Navy we have ever had in the history of our country; a Navy three times as large as the German Navy, twice as large as the Italian Navy and 50 percent larger than the Japanese Navy. Then why is it necessary to change our entire foreign policy, which has been one of national defense and defense of our own shores and upholding the Monroe Doctrine, to go 6,000 miles away from our Pacific Coast to set up an airplane base? Is that for defense—6,000 miles away? This little island of Guam is farther from Hawaii and Honolulu than we are from the Rhine. Yet we propose to go out there and spend \$5,000,000 to dredge that little harbor of Guam, in order to provide an airplane base. Against whom?

Before I go any further, I challenge the President of the United States, I challenge the chairman of the Committee on Naval Affairs and the subcommittee on naval appropriations to state to this House what nation or nations is even dreaming of attacking the United States, or what nation or nations has the faintest capacity to attack the United States of America? Then why depart from our traditional foreign policies of nonintervention, of neutrality, of peace, and of national defense and go looking for trouble? I say to you if we were ever looking for trouble and war, this is the way to find it.

Human nature has not changed. When I was a boy at school and I wanted to get into a fight I would put a chip on my shoulder and go out looking for one, and I would always be accommodated. Today we are putting a chip on our shoulder by going out of our way to dredge and prepare Guam as an airplane base. Oh, you will hear all about this being a mere harbor dredging operation. A harbor for what? For airplanes, not civilian, but naval airplanes. For aggression, as an airplane base it would be, a dagger at the throat of Japan and an arrow aimed at the heart of Japan and its communications and its trade. Guam is only 1,300 miles from Japan. Only 1,400 miles from Tokio and the great industrial cities of Japan. It could be used as an air base to bomb its commerce and destroy its cities. I say to you I think this is one of the most important factors to consider when you are considering the entire program of national defense how would we like a Japanese base within 1,300 miles of the Pacific coast? We are Americans regardless of partisanship. After all, war is above partisanship. What is sauce for the goose is sauce for the gander. What would we say if Japan started to build a harbor for airplanes 1,300 miles from the Panama Canal; 1,300 miles from San Francisco;

1,300 miles from Los Angeles? It must be self-evident to every Member of the House that that would create overnight a serious war hysteria, a direct fear and dread of war, and would lead directly to war if Japan did the same thing we propose to do if we enact this bill.

Mr. THORKEKELSON. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. THORKEKELSON. May I ask the gentleman, does he believe that China is carrying a chip on her shoulder, or Ethiopia, or Africa, or India, and the other places?

Mr. FISH. I will say to the gentleman that I do not think the United States of America, with the greatest Navy we have ever had, is in the same situation as China or Abyssinia or Spain or India. We propose to have and have the utmost national defense that is necessary to protect our own shores, to protect our trade, and to uphold the Monroe Doctrine; but we do not have to go looking for wars in foreign lands.

Now, I am glad this issue has been brought up today before Washington's Birthday and will be considered on Washington's Birthday and will be voted on the day after Washington's Birthday. What is it that Washington said in his Farewell Address as advice to the American people? There never was an American statesman who had the vision of George Washington. He said this:

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

I repeat and I emphasize: "Why forego the advantages of so peculiar a situation?" That is the issue. Nothing has changed since those days, since the day that Washington proclaimed that doctrine and left it as advice and a warning to the American people not to depart from it. There is no airplane that has ever been invented that can fly from Germany or Italy or Japan and bomb a single American city and get back to its base. I challenge the President or anyone in this House upholding this bill to specify that a single airplane can fly from either Germany, Japan, or Italy and bomb any city in the United States and get back to their base.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. MAGNUSON. This is to get the record straight, also. This bill also provides certain air bases for Alaska. I wonder if the gentleman is familiar with the fact that Japan has fortified its airplane base which is closer to Alaska than Japan is to Guam, and I wonder if the gentleman has the same objection with regard to the air bases in Alaska.

Mr. FISH. No; because in the last Congress we agreed that our first line of naval defense should be from Alaska to Hawaii, down to Samoa, and then to the Panama Canal. That was recommended by our admirals and Navy Department, and was adopted by Congress as a proper and adequate first line of defense, with Hawaii as our outpost. Now we propose to move 4,000 miles farther, farther than it is from Washington to Berlin. We now propose to move from Hawaii to Guam, that little outpost in the Pacific, in order to establish an airplane base as a threat against Japan and her commerce, and to extend our naval operations from the eastern Pacific to the western Pacific.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COX. Do I understand that the gentleman's objection to Guam constitutes his full objection to the bill?

Mr. FISH. Yes; I am willing to accept the appropriations for Wake and Midway Islands. I do not know that it is necessary or that I want to quarrel about whether we should fortify Wake and Midway. I will accept that plan of defense as going a little farther west than Hawaii but not 4,000 miles beyond Hawaii to set up an air base at Guam.

Mr. MAGNUSON. And Alaska.

Mr. FISH. And Alaska; but I do object to going 4,000 miles away looking for trouble in the Western Pacific in the vicinity of Japan.

Mr. COX. The gentleman, of course, is not objecting to the adoption of the pending rule.

Mr. FISH. Not at all. Now, let us consider for a moment this alleged menace from enemy airplanes. Actually, if one believed all one read in the press one would believe that we were about to be invaded by some foreign power, that foreign airplanes were about to bomb Washington, New York, or San Francisco.

What are the facts? The facts are in regard to the three totalitarian States of Italy, Germany, and Japan, that Italy has no airplane carriers, Germany has two airplane carriers and Japan has only six. This makes a total of eight airplane carriers. Each of those carriers has a maximum capacity of 50 planes. So if we sunk our Navy, the greatest Navy we have ever had and almost the equal of Great Britain's today, if we sunk our Navy these totalitarian nations could only bring over against us on airplane carriers 400 planes; and today we have 4,000 airplanes between the Army and the Navy. If 4,000 modern American airplanes with the best pilots in the world cannot defeat 400 European or Asiatic planes, then we better give up anyhow and not talk any more about defense. However, facts seem to count for little owing to the fury of the war hysteria and propaganda.

Why should we adopt this aggressive program and disregard the advice of George Washington? Why forego the advantages of so peculiar a situation and go looking for trouble? We will find all the trouble we are looking for. The President a little while ago said that we have a rendezvous with destiny. It is beginning to look as if we would have a rendezvous with death at Guam. If we begin arming and fortifying Guam as a base for airplanes naturally we will follow it up for submarines and then for larger ships, and in a little while we shall create enough suspicion, and hatred, and enmity with Japan that war will be inevitable. All history proves it.

Go back to the days of Athens and Sparta, Carthage and Rome, all the way up to the days of Great Britain and Germany. Naval competition has always created hatred and enmity, and eventuated in war. That is what is happening now. We are launched on a great naval race with Japan, a mad and costly rivalry and this is a logical step in that naval race, to arm as far out as we can get for offense. We will have changed our entire foreign policy from one of defense to one of offense if this bill goes through. I suspected it last year when we discussed appropriations for a super navy—not for defense, but for offense. This proves that we are going out into the western Pacific for aggressive purposes, to quarantine the world, to act as policemen for the entire world, with American blood and treasure.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. Will the gentleman give us some idea of what the President had in his mind last week just before he left on his fishing trip when he said that complications might arise which would force him to shorten his trip and come home?

Mr. FISH. All I can say to the gentleman after listening to the President's speeches in favor of concerted action against aggressor nations, demanding powers from Congress to determine the aggressor nation, talking of economic sanctions and acts short of war, and about policing and quarantining the world—all I can say to the gentleman from Minnesota and my fellow Republicans is that the more the President goes on fishing trips and stays away from Washington the safer the country will be. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. STEFAN. The gentleman is opposed to the fortification of Guam, is he not?

Mr. FISH. Yes.



Mr. STEFAN. Does the gentleman believe that the \$5,000,000 authorized in this bill is the beginning of the fortifying of that island?

Mr. FISH. I am sure it is.

Mr. STEFAN. Then does not the gentleman think that the American public and American industry in the Philippine Islands should know today that we are taking a definite step in abandoning forever the Philippine Islands?

Mr. FISH. Answering the gentleman, and I can express only my own views, I voted to give up the Philippines. I voted to give them up voluntarily because I would not give them up under threat of war, but I am willing to give them up in time of peace. I remember the words of Theodore Roosevelt when, as President of the United States, he wrote to his Secretary of War, Mr. Taft:

We must do everything we can to give up the Philippines in time of peace when no threat is being made against them, because they constitute the Achilles' heel of the United States.

This statement was made 30 years ago by a great American President and a courageous man. I am in favor of giving them up. I think it is preposterous that, having voted to give up the Philippine Islands, we should now attempt to fortify the island of Guam, 4,000 miles from Hawaii, or to establish an air base there against Japan.

Mr. STEFAN. We have had an idle Army in the Philippines for 30 years. We are abandoning various fortifications; we are abandoning Cavite, Olongapo, and Corregidor. Why now fortify this little island in that same region?

Mr. FISH. That is what I cannot understand, and that is the question I ask. It is preposterous, unreasonable, and unsound, because we could not defend it if we wanted to; and it is a provocative act that promotes unfriendly relations with a proud, sensitive, and warlike people.

Mr. STEFAN. It is my opinion that the Army and Navy want something out there as an excuse to go there.

Mr. FISH. It is a big adventure in aggression and offense, and will result inevitably in war.

Mr. CRAWFORD. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. At the time the Philippine Act was up for consideration, was there debate of any consequence as to whether or not the people of this country or the Congress of the United States had any right to take away from the Philippines the protection of the United States; in other words, discharge that Territory and forever remove it as a part of this country? Has Congress the right to discharge the State of Michigan from the protection of the United States? Was that matter debated at all?

Mr. FISH. I believe it was. We had a very extensive debate on that proposition. I believe it was unanimously felt we had this right.

Mr. CRAWFORD. It is a constitutional right that has never been settled?

Mr. FISH. If we have not got it, we ought to amend the Constitution, because, after all, we cannot go to war perpetually over the Philippines.

Mr. CRAWFORD. But the question has not been decided?

Mr. FISH. Not definitely by the Supreme Court, but I doubt if the Congress felt it was necessary.

Mr. CRAWFORD. That is what I mean.

Mr. HOFFMAN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In view of the fact that in a special message of March 2, 1934, the President recommended abandonment of all military establishments in the Philippines, can this policy be reconciled with that recommendation?

Mr. FISH. It cannot be. You cannot reconcile any of the President's statements. He is the one who has been advocating Guam as an air base from the beginning and that is why it is before the House today. We are supposed to goose-step in support of the proposal because the President wants Guam fortified as a part of his program to quarantine the world. Do not make any mistake about that.

Mr. COX. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Georgia.

Mr. COX. The gentleman has been talking about the attitude of the Congress with regard to the Philippines. The gentleman, of course, is aware of the fact that the Philippines were taken under a Republican administration with the promise that they would soon be free. Does the gentleman not recall it was the Republican Party that kept the Philippine Islands for many years?

Mr. FISH. I am not denying that. I am not denying the fact the Philippines were conquered during a Republican administration, that we paid \$20,000,000 for the islands to Spain, but many of us Republicans are willing and glad to give them up. The Democrats also wanted to give them up. Now, why go out and fortify Guam? That is the question for you to answer?

Mr. COX. The Philippines were given their conditional freedom under a Democratic administration.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I want to appeal to my fellow Republicans and emphasize that there is no country in the world thinking of attacking us. There is no country that has the ability or the capacity to attack us if they wanted to do so. Every one of our admirals stated that the Japanese Navy must be three times as large as ours in order to even attempt to attack us. All of this talk about an attack or invasion from a foreign nation or nations is part of the war hysteria and fear being created in America by the New Deal administration and among others who are doing this are the Communists who want us to go to war with Japan and Germany for the benefit of Soviet Russia. I insist all this talk that we will be invaded and attacked by foreign foes is merely political bunk and eyewash to cover up the change in our foreign policies from neutrality, nonintervention, peace, and no entangling alliances to collective security, economic sanctions, aggression, and war. [Applause.]

Mr. COX. Mr. Speaker, does the gentleman from New York desire to use more time?

Mr. FISH. Yes. I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, in thinking of this question of Guam, my mind, of course, goes to the Philippine Islands situation. Personally, I do not consider that the Philippines have yet been granted independence and I do not hesitate in saying that so far as I am personally concerned, I do not think the Members sitting on the floor of this House today will live to see the time that the Philippines will gain their "political and economic independence." I think the forces of the world are shaping themselves in such manner that before July 4, 1946, the Philippine people will deny themselves independence, as defined in the independence act. I think the forces are shaping themselves in such manner that the people of this country will feel it will be a greater curse to our people and invite more danger by turning over the Philippine Islands to Japan than building fortifications at Guam or any other step we can possibly take in connection with the far islands of the Pacific.

Anyone who desires to analyze in detail the resources of the Philippine Islands, which we have never attempted to develop or exploit, will find that there is stored there war material which Japan is seeking and which Japan is now taking, not after 1946 but right now, in an amazing manner, with our full consent. As surely as the 1946 Independence Act is consummated, if we ever have trouble with Japan these war materials will be converted into war munitions and war supplies to be used against the women and children of the United States of America as well as those located in the Philippine Islands, if the Filipinos resist Japanese domination.

Mr. Speaker, there is no need kidding ourselves. We have shadow-boxed and bamboozled ourselves for 40 years with reference to the Philippines. I seriously question the right of this Congress to pass such an act in the first place.

Certainly I am not a constitutional lawyer. It is a political proposition which has been whipped up by a few leaders

in the Philippines led by the present President of the Commonwealth. I do not think Japan will pay any more attention to this harbor development of Guam than we would pay to the transfer of another thousand Japanese from Tokio to the port of Davao in the Philippine Islands. This is a lot of bushwa we are talking about now as far as Japan jumping on us because we build this fortification is concerned. Japan will just quietly proceed to take the Philippines and will let us go ahead and play with Guam in our own way. She knows we are not going to "fortify" Guam. Are we to maintain air service—passenger and freight—from this country to the Far East? If so, we will have to have harbor development to accommodate the planes. If we do not want the planes to run over there that is a different proposition. If you do not want to maintain your world power in the Far East, that is a different proposition. If you desire to surrender all there is in the Philippines to Japan, that is one thing, and that is what we are doing now. The Japanese are conquering the Philippines much more rapidly than we are moving out. All you have to do is to look up the facts to determine that. If you will look up the figures of private industry, you will appreciate that Japan is rapidly conquering the Philippines, by acquiring control of mining, banking, shipping, agriculture, retailing, importing Japanese goods into the islands through houses established, located, and operating in the islands. You will also find that although we purchase an overwhelming proportion of the total goods shipped out by the Philippines, Japan is selling to the Filipinos an increasing amount of goods which are paid for with the dollars we give to the islanders for the goods they ship to us. Furthermore, you will find, if you care to search the records, that leading Philippine Islanders are now taking the position, and openly, that they should from here on ally themselves with the great Japanese Empire so that they may hover under the protecting wing of the Japanese Navy and Army and international power. Take note of the flirtations of President Quezon with the high-ranking Japanese officials. Heed the growing attention being paid by Japan to all of the developments in the islands in the way of education, communication, religious, and other activities falling outside the realms of business and agriculture. I repeat, and let me emphasize my statement "the Filipinos will not accept 'independence' and you can rest assured they will capitulate to the aggressiveness of Japan before independence, as set forth in the 1934 Independence Act, has been attained." The Filipinos will do this very thing unless the people of the United States intervene. The progress which Japan is now making in inducing the Filipinos to move in the direction of Japan is nothing short of startling in the light of the representations for years made by the present President of the Commonwealth.

Mr. Speaker, to an amazing degree the inherent and decent rights of Americans now residing in the islands are being run over and ignored by Filipino officials. We will hear and see more of this in the future as Japan applies the pressure here and there on the islanders. This is a very natural development. As this goes on, the Filipinos will assume they are outsmarting us. They will take the position they are a superior class because of our receding attitude. I am here referring to the "politicos" of the islands, not the Philippine people as a whole. Orientalism and Americanism are two dissimilar breeds. They will never mix insofar as permanency is concerned. As time comes and goes we will more fully comprehend this fact.

Mr. Speaker, if we are to agree with the program of letting Japan acquire control of the Philippines, then let us get out of all the western Pacific islands west of Hawaii and let Japan run that part of the world and pull ourselves back to the Western Hemisphere and take care of our own situation.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arkansas.

Mr. KITCHENS. What the gentleman said is true. The Philippines today is in a pincers between fortifications by Japan on the east and on the west at the island of Hainan.

This practically places the Philippine Islands under the jurisdiction of Japan today.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, my purpose in speaking briefly on this measure is to share with you the contents of a letter I have received from one of my constituents. I trust it may be interesting. I quote:

I lived more than 3 years on the island of Guam.

Guam, Manila, and Yokohama are set in a triangle about 1,500 miles apart. Guam is 5,500 miles from San Francisco. The Azores are about 1,800 miles from Boston. Considering these distances, it would seem more sensible to fortify an island in this group rather than Guam, the southernmost island of the Ladrone group.

However, to return to Guam. About 5 miles from Agaña is the harbor at Piti. Most islands in tropical Pacific waters are surrounded by an outer coral reef; closer inshore are other coral reefs. This harbor is formed by "Goat" island and an outer coral reef. This reef is completely under water at high tide. Inside, the harbor is full of sunken reefs that could rip the bottom out of a vessel.

In 1900 the U. S. S. *Yosemite* was lying at anchor in this harbor. A typhoon came up so suddenly that she could not get steam up soon enough to clear the harbor and get to sea. She was blown over the coral reef, out to sea, where she foundered about 24 hours later. Three years later the cable ship *Scotia* ran up upon the reef at the entrance of the harbor. At low water she looked as if she was setting up upon the top of a table.

This all leads up to what I want to say. Guam has no harbor and as it has no harbor it would seem a wicked waste of public funds to fortify the island. Guam is the home of typhoons and earthquakes are frequent, as many as 10 a month. In 1903 I went through an earthquake that didn't leave a house standing on the island that was built of stone.

This picture in contemplation of spending a lot of money on this island, even for civil improvements, is not an enticing one. We are all extremely interested in the diplomatic side of this proposal. The President has expressed his approval, and as I recall it, he also suggested that if any particular protest were made he might withdraw the request even for the minor improvements. This gives us the right to assume it to be a diplomatic move to make Japan a little more sympathetic with our eastern interests, according to comments I have been reading. These moves appeal to me as being something of which Japan might approve. If we were to have a base within 1,500 miles of Japan and were obligated to defend it, contemplate the advantage to Japan to entice our fleet into their nearby waters, far from our own bases. Is not that looking at it from a sensible point of view?

Several have made suggestions about the President's present trip to witness naval maneuvers. I do not regret his taking a vacation for he must surely need one. I wish at the moment he were not going to watch those maneuvers, however, for it may be that he will return so imbued with our naval power and strength and warlike preparedness that he may carry a chip on his shoulder. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I do not wish at this time to make any observations with reference to the fortification of Guam. It seems to me this is a matter that probably had better be discussed when the bill itself is before us rather than while the rule is under consideration.

I am impressed with the fact that we face a danger which has not been touched upon, one probably greater than any danger that threatens us from foreign shores. I refer to the danger presently existing in connection with the hazardous financial condition of the country. It seems to me we should pay some attention today to the fact we have about reached the limit of our national debt, and that if the emergencies exist which the present administration would have us believe exist we should be mindful first of all of putting our financial house in order so that we may be able to meet the demands which would come upon us in the event of an emergency.

It seems to me we should be setting up a national-defense program which would include financial stability as well as armament stability.



During the past 6 years we have followed a course and pursued a program which lead to a jeopardy and a hazard far greater than any jeopardy or hazard presented by any foreign foe. I pose this question to you today, what would we do in the event of an emergency which would require the same degree of financial support as the World War required? The World War required the outlay of great sums of money. Billions of dollars were needed in order that we might provide the men, the munitions, and the materials to carry on that war. But the present administration, assuming the dangers which it would have us believe do lurk in the offing, has pursued a policy of profligacy and of dissipation of our wealth and our resources which places us today in an extremely hazardous position.

Let us think a little bit about strengthening the financial stability of the Nation, while we are talking about the fortifications of these island possessions of ours. Let the Treasury Department be called upon to bring forward its estimates of the financial needs of the country in the matter of the defense of the Nation. Instead of calling on the War Department and instead of calling on the Navy Department to dissipate our funds and spend our wealth, let us ask the Treasury Department to come here and tell us what the plans of the Treasury would be in the event of this emergency which they tell us probably may arise at any moment. Let the Treasury Department come here and give us their plans of national defense. It seems to me this would stimulate in the Nation a confidence which would give us a degree of stability which the other nations of the world would recognize so they would know that if an emergency came we would be prepared.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I believe that question has been answered. The gentleman forgets there is a new philosophy. When we get to that \$80,000,000,000 income through the present program of spending a certain amount, everything is going to be all right. I believe the gentleman's question has been answered.

Mr. DITTER. I hesitate to intrude any political observations in this discussion. [Laughter.]

I mean that. I do hope you take it that this is a sincere observation. This is a matter of serious concern to our people. It is vital. National defense is above partisanship. I repeat, our weakness today is not in men or munitions, but in the hazardous financial condition in which we find ourselves as a result of the past 6 years of shameful profligacy. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4278, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, by the Constitution the Congress shall have power to provide for the common defense and to provide and maintain a Navy. That not only gives us the power to provide a Navy but to provide the necessary naval bases and

shore establishments required which together with the fleet will make this country secure from attack.

The primary object and purpose of this bill is to authorize the construction of certain of the aviation facilities recommended by a board of officers appointed in accordance with a provision of the Naval Expansion Act, approved May 17, 1938; the other provisions in the bill are supplemental to the main provision and are included to permit the accomplishment of the main purpose of the bill in the most expeditious and economical manner.

The Naval Expansion Act of 1938, authorized an increase of 20 percent in combatant vessels and at least 50 percent in naval aircraft.

Fully realizing that the expansion so authorized would, when completed, require additional bases and facilities for efficient maintenance and operation, Congress directed the Secretary of the Navy to appoint a board to "investigate and report upon the need for the purposes of national defense for the establishment of additional submarine, destroyer, mine, and naval air bases on the continental coasts of the United States, its Territories and possessions."

The board so authorized was duly appointed, made an exhaustive study of the question of additional needs for bases for the Navy and has submitted its report which was transmitted to the Speaker of the House and which may be found in House Document No. 65 of this Congress. The report recommends the creation of some new bases and facilities as well as improvements in or expansion of some of those already in existence.

A careful study of the contents of the report of this board, now known as the Hepburn Board, reveals that the Navy is far short of the bases and facilities considered essential for the efficient operation of the fleet in the training necessary for it to reach the maximum state of readiness for the defense of our shores and possessions. Not only are these bases and facilities necessary for peacetime training but they would be invaluable for defense in time of a national emergency.

The President in his national defense message to the Congress has recommended that certain funds be appropriated "for the creation or strengthening of Navy bases in both oceans in general agreement with this report."

Therefore, your committee presents this bill to you after a thorough investigation into the needs for these bases and with only minor changes from the recommendations of the board, the Navy Department, and the President.

The defense of continental United States necessitates appropriate development of continental and outlying naval bases and a strong Navy free to move from one ocean to the other. Panama and Hawaii are vital points involved in securing this freedom of movement.

So long as Hawaii and Panama are secure and backed up by a superior fleet, so long will continental United States be free from attack from the sea or from the air.

The security of these two places can be threatened by hostile navies in the Atlantic, in the Pacific, or in both oceans. The safeguarding of these vital points, Hawaii and Panama, can be vastly improved by the development and use of outlying bases in the Caribbean, in the mid-Pacific, and in Alaska. Unless we can feel certain that potentially hostile navies will not now, nor in the decade to come, pursue courses that will increase the threat and danger to Hawaii and Panama, we dare not now neglect the development of these outlying air facilities included in this bill that augment them.

This bill authorizes the Navy Department to develop or increase the naval aviation facilities at Kaneohe Bay, Pearl Harbor, Midway Island, Wake Island, Guam, Johnson Island, and Palmyra Island in the mid-Pacific area; Kodiak and Sitka in the Alaskan area; San Juan, Puerto Rico, in the Caribbean area; and Norfolk, Va., Tongue Point, and Pensacola in the continental United States.

Our Navy will be called upon to defend the interests, rights, possessions, and vital security of the United States wherever they are threatened. The effectiveness with which

it can accomplish this task will be definitely improved when this proposed program has been achieved.

The one item of this bill that has received the most publicity and the one that has been subject to the most criticism is the provision to expend \$5,000,000 to improve the harbor facilities for seaplane operation at the island of Guam in the mid-Pacific.

Opposition to this item has been based on the assumption that Guam is to be fortified and made into a strongly defended naval base for airplanes and submarines.

In view of this opposition the committee has gone into this matter at great length, and I can assure you that there is no intention on the part of the Navy Department to fortify Guam or to do anything further than what is included in this bill.

The island of Guam had minor fortifications and a small aviation force prior to the Washington Treaty of 1922. By that treaty the United States agreed that the status quo with regard to fortifications would be maintained at Guam. Conforming strictly with that treaty, no increases in fortifications were made at Guam during the life of the treaty but, rather, in 1932 all defensive weapons were removed from the island, including the planes. The Washington Treaty expired on December 31, 1936, so that it is now possible for the United States, so far as international obligations are concerned, to fortify Guam and to construct a naval base there if the country so desires.

Guam is in the midst of the Marshall, Caroline, and Marianas Islands. These islands were mandated to Japan by the Treaty of Versailles. The terms of the mandate stipulate, and Japan agreed, that no military or naval bases should be established or fortifications erected in the mandated islands. No definite information has been obtained that any of the mandated islands have been fortified; however, foreigners are not allowed to visit these islands.

Adverse comment by foreign press and foreign spokesmen to any development of Guam is noted, but the improvements the Navy Department recommends for accomplishment are not an indication of aggression; to take cognizance of such inspired adverse comment would be an indication of weakness.

Admiral Leahy, ranking naval officer, in his testimony said:

The authorization bill \* \* \* does not provide for the development of a base at Guam.

Mr. Charles Edison, civilian Assistant Secretary of the Navy, when before the committee, said:

Facilities for the operation of airplanes from Guam will add materially to the defensive power of the fleet.

It is impossible to look into the future and see whether or not there will be need for further development of Guam as an airplane base, but we may hope that the future international situation will make it unnecessary to use Guam except as a commercial airport.

It is the present policy of the Navy Department to limit development to the extent stated in the bill before this committee.

If unforeseen changes in the international situation should indicate a necessity for further development of an airplane base, then the Congress will be so informed.

We hope that there will be no necessity for further development—none is contemplated at the present time.

He went on further to say:

In some quarters there seems to be the impression that the Navy is desirous of working along a program based on offensive rather than defensive plans.

Before I came here 2 years ago I shared this misconception. I can state as an absolute truth that during the 2 years I have been here as Assistant Secretary of the Navy, I have never heard discussed, officially or unofficially, any plan for naval expansion that was based on a desire for offensive action. The whole and sincere desire of the personnel of the Navy is to do a first-class job of preparing this country to defend itself. Never, within the Department, in the field, or at social gatherings, or in personal conversations do I get any other impression. The idea that the Navy seeks defense on the surface and offense in the back room is simply imaginary and untenable.

If the Navy or the Army, the State Department, or the administration were looking for trouble, there have been many incidents of sufficient gravity in the past 3 or 4 years that could have been easily used as a basis for belligerent action on the part of the United States. The exact reverse has been true. We winked at many things that in other days would not have been tolerated and which would have led us directly to war.

The armed forces, the State Department, and the administration most earnestly desire to live at peace with our neighbors and will continue to strive constantly for this objective.

This is proof enough to me that the Navy Department has no intention of fortifying Guam.

It is the considered opinion of the committee that the recommendation of the Navy Department for limited improvements at Guam should be carried out at this time. Whether further expenditures will be authorized at a later date for the establishment of a base is for the Congress to determine at a later date.

If world conditions at some future time make it advisable in the interests of our national defense to establish a protected naval air and submarine base or if events compel the development of Guam into a fortified fleet base, I would be in favor of that undertaking.

For Guam is vitally important to the United States from the standpoint of naval as well as commercial aviation.

It is an essential link in any overseas movement of naval patrol planes to the Philippines as well as an important stepping stone in the commercial air route across the Pacific.

It is of great importance as a possible air and submarine base from which to protect our overseas commerce from the Dutch East Indies, where essential strategic materials necessary to maintain our industries are obtained. It is of value as the site of a possible naval station to support the Asiatic Fleet when the United States withdraws from the Philippines in 1946.

Its strategic position in the western Pacific makes it of inestimable value to the United States as a possible defense base which would act as a strong deterrent to any Asiatic power contemplating a hostile move toward the Hawaiian Islands or the American Continent.

It is an unquestioned important strategic position and some day its security may be indispensable to the success of United States defensive operations.

I repeat again, nothing in this bill authorizes fortifications at Guam. We hope the necessity will never arise; but if it does, Congress can be depended upon to do whatever is necessary at any cost to defend America.

I say to you that our fleet must not be hampered in its movements when it is called upon to defend America, and any implication that we should not go beyond the one hundred and eightieth meridian, even when our own territory lies beyond, is wrong, and the people of this country will not agree to any such restriction placed upon our fleet.

We should never be partisan where national defense is concerned, and with a united Congress determined on an adequate defense America need have no fear for its future.

We must make America impregnable from any direction, and with the outlying aircraft facilities included in this bill our fleet will be so strengthened that any aggressor nation will be defeated long before he reaches our shores.

We must be prepared to stand alone. National defense is of utmost importance to America and to the Western Hemisphere.

Let no one think that with the world being overrun by the dictator powers—Germany and Italy in Europe and Japan in the Far East—that it is not of the utmost importance that we be forever vigilant in looking to our defenses.

It is not only necessary that we look to our own defenses but it is to our advantage to allow our airplane manufacturers to furnish planes to those other two great democracies—France and England—in order that they may not be destroyed by the dictator powers.

Every right-thinking American approves the administration's decision in this case, for if England and France are unprepared they will surely be destroyed and the last stand of the democracies will be in this hemisphere, with the United States carrying the load.

America now finds it necessary to answer the dictators in their own language. The world might just as well know that America is not going to submit to being destroyed with other unprepared democracies.



There are even those who believe that the ills of this mad world could be cured by conferences and covenants between the democracies and the dictatorships.

There is not a man within the sound of my voice who would not welcome such a conference if it meant a return to world sanity, a resurgence to the good old-fashioned principles of national honor, national ethics, and national respect of obligations—if one iota of good could come out of it.

Every meeting so far with the dictators has meant unequivocal surrender. Peace on the terms of the dictators is a Carthaginian peace.

At the moment the slogan of the aggressors is "might makes right." This is not a new slogan. It has been used before. Attila the Hun used it 1,500 years ago. He was termed "The Fear of the World" and "The Scourge of God"—high-sounding phrases which no doubt flattered his colossal vanity.

Mr. Chairman, last October a general European war was narrowly averted. During those trying times the State Department, under the guidance of our great Secretary of State, Cordell Hull, handled our foreign affairs in a masterly manner, which will resound to his undying fame when the history of these days is written.

In the hope of making political capital and of embarrassing the President some have quoted him as saying that "America's new defense frontier was on the Rhine River in Germany."

He has branded that statement as a "deliberate lie" and to silence his critics stated only a few days ago his foreign policy as follows:

The (American) foreign policy has not changed and is not going to change.

We are against any entangling alliances, obviously.

We are in favor of the maintenance of world trade for everybody—all nations—including ourselves.

He further stated:

We are in complete sympathy with any and every effort made to reduce or limit armaments.

As a nation—as American people—we are sympathetic with the peaceful maintenance of political, economic, and social independence of all nations in the world.

This policy voices the sentiment of the rank and file of the American people.

The statements by the President show that the policy of the Nation is neither imperialistic nor aggressive but on the contrary is purely a policy of defense and self-reliance.

There is nothing in this bill which is not in thorough accord with this policy. No other nation can logically object to any nation improving the purely defensive facilities of its own land unless that other nation should have aggressive designs on the territory thus defended.

We do not seek war with anyone. We do not intend to get entangled in any alien quarrels. As a democratic people we are a peaceful people.

We respect the rights of other nations; we expect other nations to respect our rights.

We do not covet one foot of soil of any other nation. The purpose of this program is to insure that no covetous nation shall secure a foot of ours. [Applause.]

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has stated, and correctly so, that this measure does not contain all of the recommendations that were contained in the Hepburn report so far as Guam is concerned, but I invite the gentleman's attention to the testimony given to the committee by Admiral Hepburn himself, the chairman of the board, that if we are to do anything at all at Guam we should go the full limit. His words were, "Do it right or not at all."

Mr. VINSON of Georgia. In reply to that statement, Congress writes the naval policy. Admiral Hepburn makes suggestions, but we are to determine what the policy shall be, and, representing the House, we have brought in a bill not carrying out Admiral Hepburn's recommendation.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.

Mr. HAWKS. The gentleman made the statement that the only item in controversy in the entire bill is with respect to the island of Guam.

Mr. VINSON of Georgia. As far as the committee is concerned.

Mr. HAWKS. Is that the opinion of the entire committee; and if so, where did the committee get the information that the country as a whole had no objection to any other part of this bill?

Mr. VINSON of Georgia. Unfortunately the members of the minority on the committee had not consulted the distinguished gentleman from Wisconsin—

Mr. HAWKS. I am not speaking for the minority; I am simply speaking for myself and asking for the information.

Mr. VINSON of Georgia. So far as the committee is concerned, my statement is correct.

Mr. CRAWFORD. Philippine independence will occur on July 4, 1946, as set forth in the present act.

Mr. VINSON of Georgia. Yes.

Mr. CRAWFORD. Would the gentleman care to comment upon the attitude of this country, or the position that we would be in, if, during the next 7 years Japan aggressively steps into the Philippines and moves with force? What would the United States have to do?

Mr. VINSON of Georgia. I trust if it is going to be 7 years, that the gentleman will be here during that time and that we may then cross the bridge when we come to it.

Mr. CRAWFORD. Let me submit this, then. Would this present proposal to improve the harbor at Guam, insofar as this bill goes, assist in that situation, or would we miss this particular improvement?

Mr. VINSON of Georgia. This improvement to Guam is of such character that it adds defensive value to the fleet if the fleet is in that vicinity. The House was very much impressed with the statement the gentleman just made with reference to the Philippines, and he will excuse me if I do not embark on that perilous line of thought that is going through the mind of the gentleman.

Mr. CRAWFORD. I am seeking information. Let us assume, for instance, that there is trouble in the world today, and, indeed, there is trouble in the Far East, and keep in mind that independence is 7½ years yet away: If there is so much trouble in the world that we should take all these steps from the standpoint of defense, is it not likely that something may arise in the Far East, insofar as the Philippine Islands are concerned, before July 4, 1946, and should we not give that most serious consideration in dealing with this bill?

Mr. VINSON of Georgia. All those questions are questions that are receiving proper consideration.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MICHENER. The gentleman is undoubtedly one of the outstanding authorities in the House if not, indeed, the outstanding authority on matters affecting the Navy.

Mr. VINSON of Georgia. I thank the gentleman.

Mr. MICHENER. I have listened to him down through the years. Am I correct in stating that at times it has been the position of the gentleman in these matters that we should get out of the Philippines, because if this country ever had trouble with Japan, the first thing Japan would do, and could easily do, would be to take the Philippines? Is that the gentleman's position?

Mr. VINSON of Georgia. I present my views by my vote, and when the question was up I voted to get rid of the Philippines.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. BATES of Massachusetts. In view of the question asked by my colleague on this side as to what the country would do in case of attack on the Philippines, what does the chairman of the Committee on Naval Affairs think we would

do in view of what Admiral Leahy stated, that with an increase in the Navy three times that he asked for last year, he then would be unable to carry on a successful campaign against Japan in the Pacific?

Mr. VINSON of Georgia. I am not going to get involved in these hypothetical questions. I reserve the remainder of my time.

Mr. CHURCH. Mr. Chairman, in the absence of the gentleman from Minnesota [Mr. MAAS] I yield myself 20 minutes and ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CHURCH. Mr. Chairman, this bill, H. R. 4278, authorizes an expenditure of \$53,800,000 in increasing the naval armament strength of the United States. As indicated in the bill and the report of the chairman of the Committee on Naval Affairs, the naval facilities it authorizes the Secretary of the Navy to establish, develop, and increase are based on the recommendations of a special naval board appointed by the Secretary of the Navy. With the single exception of the project for Tongue Point, Oreg., all the items embodied in the bill are based on this naval board's recommendations.

In order to understand, therefore, exactly what the measure under consideration proposes to accomplish, it is necessary to examine the report of the naval board itself, consisting of six naval officers. It is popularly known as the Hepburn report, taking its name from Rear Admiral Arthur J. Hepburn, the senior member of the board. The report bears the official approval of the Secretary of the Navy and has been printed as House Document No. 65, Seventy-sixth Congress, first session. I hope that every Member will procure at once from the House document room this important House Document No. 65, Seventy-fifth Congress, first session, known as the Hepburn report.

Before turning to a discussion of the bill itself and the Hepburn report on which it is based, let me say that the American people can find real satisfaction in the fact that, however political minded Congress may ordinarily tend to be, on questions of national defense, involving the national security and safety of our people, their Representatives in Congress do not allow political or partisan considerations to influence their judgment. This was clearly evidenced by the overwhelming vote by which we passed the military defense bill last Wednesday, and particularly by the high patriotic plane on which the entire debate was conducted.

To be sure, during the course of that debate objections were raised to certain features of the military defense bill and amendments were offered. But they were conscientious objections and the amendments were proposed in a sincere desire to improve the bill. There was a rather pronounced disagreement as to what our policy should be in the matter of rate of airplane production. But that disagreement arose simply as an honest difference of opinion as to what would be the best procedure for creating and maintaining a strong air force.

And no doubt during the course of this debate on the naval defense bill there will be differences of opinion with respect to the wisdom of certain projects it authorizes to be undertaken by the Navy Department. That is indeed a healthy condition. It may be that certain amendments will be offered by individual Members that will greatly improve the measure. That is our legislative process at its best and much to be desired.

Let me say for myself—and I am sure I speak the sentiment of the entire membership of the House—that whatever differences of opinion or disagreements we may have with the able chairman of the Committee on Naval Affairs on this particular bill, whatever amendments we may propose, have their origin in conscientious, honest, sincere convictions and are not in any way influenced by any political considerations. We agree with them that we must at all times maintain an adequate national defense.

We cannot sit smugly and complacently and close our eyes to the unsettled international situation and the world arma-

ment race inaugurated by the dictators of Europe. We cannot entirely ignore their militaristic philosophy and their disregard for treaty obligations. The volcanic state of affairs in Europe and Asia, created solely by these dictators with whom force is a fanaticism, should be a dual warning to the United States. It is this: Look to our defenses at home and stay out of imbroglios of Europe and Asia.

Recalling our bitter experiences prior to our entrance into the World War and the power politics of that fateful period in which we slowly became entangled, the explosive situation abroad today should be a warning to those in charge of the affairs of this Government that the security and safety of the American people lies solely in the Western Hemisphere. We can obtain that safety and security only by maintaining adequate defenses for this hemisphere and by refraining from any meddling into the power politics now being played in Europe and Asia.

Today we are considering a bill which proposes to increase our naval armaments. Insofar as the naval projects it authorizes are in keeping with necessary facilities for the adequate defense of this hemisphere, they have my wholehearted support. But there is one item in this bill against which I must voice a vigorous objection.

It represents a radical departure from our long-established naval-defense policy in the Pacific. It is the initial step for extending our line of defense deep into foreign waters. I refer specifically to the authorization of an expenditure of \$5,000,000 for the island of Guam. This item may be the very step that serves to involve us in the power politics of Asia and Europe which our people so earnestly desire to avoid.

In our chairman's report I notice that he has endeavored to make it appear that the improvements to be undertaken at Guam are simply ordinary harbor improvements. Our able chairman would have us believe, if he could, that the improvements have little or no relationship to our armament program.

But, on the contrary, Mr. Chairman, the proposed improvements at Guam are not the ordinary harbor improvements "done year after year by this country." They have a very definite relationship to our armament program and are intended to constitute the first step toward the complete fortification of the island. It can be definitely said that the proposed \$5,000,000 harbor improvements at Guam have no other purpose than to make that island a naval outpost in Asiatic waters.

By no stretch of the imagination is it possible to divorce the harbor improvements for Guam from their military character. If they are supposed to represent "ordinary harbor improvements," purely civil in character and purpose, then the item has no place in a naval armament bill. Rather the authorization should come from the Committee on Rivers and Harbors and the work should be undertaken by the Board of Army Engineers.

Year after year the Committee on Rivers and Harbors reports legislation for the improvement of the various harbors of the United States. Year after year the Board of Army Engineers conducts surveys and makes reports to the Committee on Rivers and Harbors as to the commercial need for and costs of civil improvements.

In fact, the harbor-improvement work which is now being done at Midway Island was authorized by the Committee on Rivers and Harbors as a civil improvement. Like Guam, Midway Island is under the jurisdiction of the Navy Department. But it is indeed significant, to which no little importance is to be attached, that the authorization for the harbor improvements of Midway Island came from the Rivers and Harbors Committee, whereas the authorization for Guam comes to the House from the Committee on Naval Affairs as an item in an armament bill.

Under the authorization of the Committee on Rivers and Harbors for Midway Island we have appropriated \$1,041,000 for the Welles Harbor improvement. A survey was authorized by the committee, the Board of Army Engineers made its report, the civil as well as naval value of the harbor



improvements was shown by that report, and the Committee on Rivers and Harbors authorized the improvements.

And, Mr. Chairman, exactly the same procedure was followed in connection with harbor improvements at Wake Island, also under the jurisdiction of the Navy Department. A survey was authorized by the Rivers and Harbors Act of 1935. A report was made by the Board of Army Engineers to be found in House Document No. 84, Seventy-fifth Congress, first session. And in the Rivers and Harbors Act of 1937 the improvements for the harbor were authorized. To date no appropriations have been made for the Wake Island Harbor. But the significant point is that if and when the appropriation is made, it will be made by virtue of a Rivers and Harbors Act authorization and not by virtue of a Navy committee authorization as is proposed here today in connection with Guam.

The reason for this difference in procedure is not difficult to understand. The one may be said to be civil in character and the other naval. A real commercial value, as well as naval, can be found to exist in the harbor at Midway Island. A commercial necessity was shown to exist for the authorized improvements. But, on the other hand, practically no testimony was presented at the hearings before our Committee on Naval Affairs to show any real commercial necessity for the \$5,000,000 harbor development proposed at Guam.

During the course of the hearing it was mentioned as an incidental fact that the Pan American Airlines stop at Guam. But not a single witness stated that it was essential to improve the harbor for commercial purposes. Rather every witness emphasized the value of an improved harbor for naval operations.

Let me refer you to the committee testimony in order to better point out to you that the harbor improvement for Guam is anything but the ordinary improvements made "year after year by this country," as stated by the report of our chairman. On page 25, part 1, of the hearings, Admiral William D. Leahy, Chief of Naval Operations, made this significant statement:

I see no reason why the Navy should spend money from the naval appropriation solely for the advantage of any commercial industry. The purpose of the Navy is to use some money from the national-defense fund to improve the facilities at Guam in order that we can use the harbor. \* \* \*

Then on page 40 of the hearings will be found this statement by Rear Admiral A. J. Hepburn:

With the \$5,000,000, as I understand it, you could improve the harbor so that it would be practicable for the operations of sea-planes and possibly give submarines a little more facility there.

Clearly and definitely the authorization for Guam has a purely naval purpose. It is the first step toward establishing a naval outpost, fully fortified and fully garrisoned, 5,400 miles from our shores.

As I stated at the outset of my remarks, in order to understand exactly what is proposed and really intended by this bill, it is necessary to examine the Hepburn report. The chairman has emphasized in the very first paragraph of this report that the—

Object and purposes of this bill are (1) to authorize the Secretary of the Navy to proceed with the construction of certain of the aviation facilities in line with the recommendations of the board of officers. \* \* \*

Thus to these "recommendations of the board of officers" we must turn with a view to determining the true nature of the Guam proposal.

I cannot, of course, take the time to read all that is embodied in the Hepburn report with regard to the island of Guam. But, for our mutual understanding, I cannot escape the necessity of directing your attention to at least certain pertinent parts of the naval board's recommendations.

First of all, permit me to call attention to paragraph 112 (e) to be found on page 27 of the report:

So long as Guam existed as a strong air and submarine base, hostile operations against the Philippines would be a precarious undertaking. To an even greater extent Guam would greatly impede, if not actually deny, extensive naval operations to the southward, thus greatly simplifying our naval problem should the fleet ever be called upon for operations in the Far East.

Let me read a few more paragraphs from the Hepburn report on which this particular bill is based. It goes on to say in paragraphs 113 and 114 on page 27:

The foregoing considerations are of sufficient weight to warrant the recommendation that Guam should be developed as a major air and submarine base, with a garrison sufficient in strength to make its reduction or occupation a major effort on the part of any probable enemy. There are, however, other considerations and possibilities of far greater significance which it is pertinent to take account of in this connection. Although these considerations may be regarded as beyond the precept of this board, they are of such far-reaching importance that the board feels impelled to include them in its report.

Guam is adapted naturally to development as a major advanced fleet base. Detailed studies to this end have been made in the past, and plans adequate to the situation are in hand. \* \* \*

On the following page (28) in paragraph 116 this same naval board report goes on to state:

The establishment of a fully equipped fleet base at Guam, capable of maintaining at least the major part of the fleet in all types, would in itself practically assure the impregnability of the island. \* \* \*

In other words, Mr. Chairman, the report of the Hepburn board of naval officers looks to the establishment at the island of Guam of a "major air and submarine base." It is very true that the \$5,000,000 development authorized in this particular bill does not of itself establish such a "major base." But we cannot escape the fact that, as the report of the chairman of our committee states, the \$5,000,000 improvement we are today asked to authorize is in line with the naval board's recommendations. We cannot escape the logical conclusion that the harbor improvement, coming as it does as an item in the Navy bill and not a rivers and harbors bill, represents the first and essential step toward the ultimate establishment of a fully fortified American naval base 5,400 miles from San Francisco, 3,337 miles west of Hawaii, 1,309 miles west of Wake Island, and within 1,500 miles of Yokohama, Japan.

The most casual glance at the maps will depict the real dangers in this undertaking. It will be noted that Guam is not only 5,400 miles from our shores, but it stands in the midst of Japanese mandated islands. The Japanese mandated island of Saipan is only 120 miles from Guam, and I understand there is another such island under the jurisdiction of Japan only 30 miles distant.

A knowledge of distances is the key to an understanding of our naval problem in the Pacific. A glance at the two maps of the Pacific that I have had brought here to show you will make the problem of Guam clear.

Guam is in the very midst of Japan's 98 mandated islands—15 in the Marianna group, 33 in the Marshall group, and 50 in the Carolines.

#### *Guam distances*

1 nautical mile=1.1515 statute miles—1 statute mile=0.8684 nautical mile

Guam is 5,428 nautical miles, 6,250 statute miles, from San Francisco via Honolulu.

Guam is 5,053 nautical miles, 5,818 statute miles, from San Francisco direct.

Guam is 8,022 nautical miles, 9,237 statute miles, from the Panama Canal via Honolulu.

Guam is 3,337 nautical miles, 3,842 statute miles, from Honolulu in a direct line.

Guam is 3,651 nautical miles, 4,204 statute miles, from Honolulu via Midway and Wake Islands.

Guam is 3,080 nautical miles, 3,546 statute miles, from Samoa in a direct line.

Guam is 2,502 nautical miles, 2,881 statute miles, from Midway Island via Wake Island.

Guam is 1,309 nautical miles, 1,533 statute miles, from Wake Island.

Guam is 1,353 nautical miles, 1,557 statute miles, from Yokohama direct.

Guam is 1,501 nautical miles, 1,728 statute miles, from Manila direct.

Guam is 122 nautical miles, 140 statute miles, from Saipan direct.

Guam is 52 nautical miles, 60 statute miles, from Rota direct.

Guam is 458 nautical miles, 527 statute miles, from Yap direct.

Guam is 1,440 nautical miles, 1,658 statute miles, from Nagasaki direct (Japanese naval base).

Guam is 2,585 nautical miles, 2,976 statute miles, from Singapore direct.

Guam is 3,054 nautical miles, 3,516 statute miles, from Sydney, Australia.

Guam is 1,822 nautical miles, 2,098 statute miles, from Hong Kong.

Guam is 1,687 nautical miles, 1,942 statute miles, from Shanghai.

No one will deny that we have a perfect right to fortify Guam. The Washington and London Naval Treaties expired on December 31, 1936, and we are legally free to fortify Guam. But there is more involved here in this initial step than that which we have a legal right to do. It is a question of pursuing a policy which will provide our country with an adequate national defense and at the same time keep us from becoming involved in the tense situation which exists in the Far East and in Europe today.

When Admiral Hepburn appeared before our committee, he was asked by my colleague Colonel MAAS whether he and his board took into consideration the possible international repercussions of the Guam recommendation. The admiral very frankly stated that while they "recognized there might be unfavorable reactions," the "Board could not take that into consideration." As to the possible diplomatic difficulties, the admiral made it clear that they did not consider them at all but felt, to use his own words, "that was for the political powers to decide."

Into a very delicate international situation we are injecting a new factor. In 1932 we withdrew the very, very small force we had at Guam and today, in 1939, when the whole world atmosphere is tense, we propose to start fortifications off the coast of Japan, in line with the recommendations of the board. This move will naturally be interpreted by Japan, as well as by Germany and Italy, who appear to be allied with her, as a step in line with a policy of military and naval intervention by the United States. It may lead to countermeasures by the other powers; and, almost before we realize it, we are deeply involved in the power politics of the Far East and Europe.

There is hardly any question but this initial step for the fortification of the island of Guam, practically next door to Japan, will at least be regarded with suspicion by the Japanese Government. Whatever our motives, they will no doubt look upon it as a threat, just as we would be indignant and view it as a threat for any foreign power to make naval harbor improvements for an air base in the Caribbean Sea.

As Members of Congress, responsible for the policy of this Government, and responsible to 130,000,000 people who desire to live in peace, we cannot entirely ignore these potential international repercussions from the Guam proposal. Rather than lending our moral influence toward international understanding and peace, by taking this step we are adding to the tenseness of the situation and promoting ill will. We are inviting dangers and creating risks. We are taking risks, totally unnecessary, that may readily involve our people in another war.

It certainly cannot be denied that there are hazards and risks in this proposed undertaking in Asiatic waters. And yet we are proposing to take the risk, nonetheless, when the naval board itself, through Admiral Hepburn, made it clear to the Committee on Naval Affairs that neither the harbor improvement at Guam nor the complete fortification of the island was necessary for our national defense.

I call your attention to the testimony to be found on page 41 of the hearings, where our chairman asked Admiral Hepburn this question:

It is your testimony that you consider Guam a necessary link in the defensive system of the country?

That question, it seems to me, is one of the most important questions asked during the entire hearings. It is a question

in the mind of every Member of Congress and every citizen. Is Guam necessary for an adequate national defense?

And mark you Admiral Hepburn's reply:

Not essential. I say that I think it would greatly simplify it and the effort we would have to make.

A little later in the committee hearing practically the same question, as to whether the improvements at Guam were necessary for our national defense, was asked of Admiral Hepburn by my able colleague, Congressman JENKS. I will quote from this brief but extremely important testimony itself, to be found on page 54, in order that you may get the true import of the answer:

Mr. JENKS. Yesterday I asked Admiral Leahy whether the proposed improvements at Guam were for commercial purposes or for defense proper, and he said for defense. The chairman asked you this morning if you felt the improvements recommended there were necessary for defense, and I understood you to say that they were not necessary. Did I get you correctly on that?

Admiral HEPBURN. I believe I might have said they were not necessary for defense but they were contributory to defense.

Mr. JENKS. But not necessary.

Admiral HEPBURN. In my opinion, no; they would not be necessary.

And there, Mr. Chairman, is the opinion of the senior member of the naval board itself on the question as to whether these proposed improvements for Guam are necessary for the maintenance of an adequate national defense. At one time he stated, without hesitation, "not essential," and at another time he definitely stated "not necessary."

Are we to hazard international repercussions and to run all the risks of having a naval base in foreign waters when it is admitted by our own naval officers that the item in this bill for Guam is neither essential nor necessary for our national security and safety? I think we might advisedly ask what new, but apparently undisclosed, foreign policy motivates this particular proposal which is admitted to be not necessary for our national defense. I think we might advisedly ask those in charge of the affairs of this Government in the field of foreign relations what policy prompts this particular recommendation for the island of Guam which causes the Navy Department to move our naval defense westward by almost 1,500 miles to the very door of Japan?

Last year when we had the naval expansion bill under consideration, Admiral William D. Leahy, Chief of Naval Operations, appeared before the committee and on January 31, 1938, testified as to the defensive line of the Navy. On page 1948 of the House Naval Affairs Committee hearings on H. R. 9218, of the Seventy-fifth Congress, you find this testimony explaining our naval defensive line in the Pacific Ocean, as well as the Atlantic:

The CHAIRMAN. The defense is based not any farther than the Hawaiian Islands?

Admiral LEAHY. The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal. There is also in the Atlantic a defensive line that runs from the Canal to the Virgin Islands, and the coast of Maine \* \* \*.

Thirteen months ago our defensive line went no farther west than Wake Island, in the immediate proximity of the Hawaiian Islands. Today, by virtue of this proposal for Guam, it is suggested that we extend this line to Guam, about 1,500 miles westward. There is not one shred of evidence as to why, within the short space of 1 year, it should suddenly become necessary to depart from the long-established naval-defense line. There is not one particle of evidence to show why these naval harbor improvements for Guam, admitted not to be necessary for our national defense, should suddenly become so important as to call for an expenditure of \$5,000,000.

There seems to me to be but one logical explanation, and that is that there is slowly being evolved, bit by bit, an altogether new foreign policy for the United States. This proposal for the island of Guam, admitted by the naval officers to be unessential and unnecessary as far as the defense of this hemisphere is concerned, seems to me to indicate that the United States is slowly being led away from its traditional doctrine of nonintervention in the affairs of other nations.



In its place the doctrine of "collective security," in cooperation with Great Britain and France, is being substituted. And it should not be overlooked that in the Far East both Great Britain and France have rather extensive interests.

It is quite impossible to disassociate any scheme of national defense from principles of foreign policy. The one is a corollary to the other. As to what really constitutes our foreign policy today, I am not at all certain. I sincerely want to believe that those at the head of our Government, who are by the Constitution entrusted with the conduct of foreign relations, do not contemplate any radical departures from our traditional policy of no entangling alliances and nonintervention. But, frankly, I am not sure, so much has been said and done in the last 2 years that is inconsistent with our traditional principles. I confess to experiencing the same confusion and uncertainty, the same misgivings and fears as to what appears to be the foreign policy we are pursuing as are being experienced by the great majority of the American people.

On January 4, the day following the opening of this session of Congress, the President delivered his address on the state of the Union. In the course of his remarks he stated:

They—

Referring to the United States and the other democracies of the world—

cannot forever let pass without effective protest acts of aggression against sister nations.

With that I am indeed in agreement. It is in keeping with the traditional foreign policy of the people of the United States to register their protests through diplomatic channels against acts of aggression and against violations of treaty obligations. America has always respected the sanctity of treaties and America has always lent its moral support to preserving that sanctity.

But in his address on January 4 the President said more than that. He went on to indicate in what form our protests should be made. He said:

Words may be futile. \* \* \* There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

What those "methods short of war" are that the President has in mind to employ as "protests" against aggressor nations I do not know. It may be that he spoke of "methods short of war" in his message to Congress with the same thought in mind when, at Chicago on October 5, 1937, he spoke of the democratic nations joining in a "quarantine" of disturbers of the peace. I do not know. At any rate, I think we might well ask ourselves whether or not there is any relationship between "quarantine," "methods short of war," as a statement of foreign policy, and this proposed authorization for the \$5,000,000 development of naval facilities on the island of Guam, off the strategic flank of Japan.

If it is intended that there be this radical departure from the traditional foreign policy of the United States, the American people are entitled to know it, in order that they may pass judgment upon it. This is a constitutional democracy. This is the people's Government. And surely we are cognizant of the uncertainties and fears that exist in the minds of our people as to the course their Government is pursuing in foreign relations, lest we should become involved in foreign conflicts through ill-advised meddlings.

To have national safety and security we need a positive reaffirmation, not only in words but also in our acts, of the established principles of American foreign policy as it has evolved over the last 150 years. First, that there will be no entangling alliances, no tacit understandings with any nation, and no interference, by aggression or otherwise, in the affairs of other nations. It is a happy coincidence that tomorrow we commemorate the birthday of George Washington by a reading of his Farewell Address. It was in that address that he uttered a solemn warning to the American people against foreign entanglements.

The second basic principle of our traditional foreign policy which should be reaffirmed in our every act is that our

security lies solely in the Western Hemisphere, and we will enforce the Monroe Doctrine against any foreign aggression. The proposal for Guam departs from this principle and moves our defense out of the Western Hemisphere into Japanese waters. Mr. Chairman, we can no better reaffirm our traditional policy of "America for Americans" and safety and security by impregnable defenses solely in the Western Hemisphere than by rejecting this proposal for a naval outpost at Guam.

And, Mr. Chairman, there is a third basic principle in the traditional American foreign policy to which we might well give thought. Until of late it has always been the policy of this peace-loving Nation to make untiring efforts for the promotion of world peace and understandings. Not only do the American people desire to live in peace at home, to be safe and secure, but our people beseech us to do everything humanly possible to keep the European nations from going to war. Not only do they ask us to do nothing that may provoke war: they ask us to exert all our energies to lead the world to a peaceful settlement of differences.

War is not inevitable. There are alternatives for war. There are ways and means to make peaceful settlements of differences. However dark the world situation may appear, there surely can be found a basis for new understandings and agreements. Yet there appears to be no real effort being made to establish a new order of peace.

In fact, the leaders of our own Government have tended to add distrust, hatred, and pettiness in our international relations by reckless and ill-advised remarks. Rather than pursuing a policy of restraint, rather than a policy tending toward the elimination of distrust, rather than seeking to exert our great moral influence for new understandings, we have actually witnessed the leaders of our own Government participate in a campaign of hate and virulence.

Mr. Chairman, it is my sincere conviction that this proposed \$5,000,000 authorization in this naval bill for the island of Guam serves only to add to the tenseness of the delicate international situation today. It will add to the growing distrust, suspicion, and hatred. It will be construed by Japan and the world generally, rightly or wrongly, that the United States is preparing to pursue a policy of foreign intervention. It will have international repercussions of far-reaching importance. It is likely to result in counter moves in the Pacific. It is hazardous. It is dangerous.

I intend to support this bill, but I cannot support the \$5,000,000 authorization for Guam, which looks to the establishment of an American naval outpost in Asiatic waters. It is not in keeping with our traditional foreign policy, and it has been definitely admitted by the naval officers themselves to be unnecessary for the enforcement of the Monroe Doctrine.

I am prepared to vote millions for defense but not one cent for foreign intervention. The \$5,000,000 authorization for Guam, 5,400 miles from our shores, is just such an item which I must oppose in the interest of the security and safety of our people. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. DREWRY].

Mr. DREWRY. Mr. Chairman, I am going to approach the consideration of this bill in a somewhat different manner from the way in which it has been already discussed. It is not my intention to speak of the condition of the United States Treasury or to go into international affairs or to talk of the prospects of war between this country and any other, but I wish to speak directly to the bill itself and not to go outside of it.

There is much more confusion and misunderstanding with reference to this bill than is warranted by the expressed purposes of the bill. This confusion, I believe, arose from two disturbing factors: First, general world conditions today are such that no man knows what tomorrow may bring forth. Notwithstanding the desire of the peoples of the world for peace, yet the controlling influences in some of the nations apparently seem determined upon warlike demonstrations. At such a time every move is noted with apprehension. Statements of the leaders of all the nations of the world are

analyzed studiously and all legislation is carefully studied. It is possible also that in our two-party form of government any party move by one or the other is interpreted as indicating opposition to legislation proposed by the party in power. According to the newspapers, the formation of a committee of the Republican Party of the House to make a special study of the military policies of the country has, in the minds of many, indicated opposition to all legislation by the Military and Naval Affairs Committees. This, of course, is not necessarily the fact, but it has caused confusion with reference to the purposes of this bill.

This legislation was not only supported by the administration but it has the approval of the Naval Affairs Committee, which has considered it for several weeks. I have been a member of the Naval Affairs Committee for many years and have served on that committee when Republican administrations were in power, as well as under Democratic administrations. In all that time I have never known any partisan strife within the committee on the question of the development of our Navy or the naval defenses. I would like to stop for a moment in passing to pay a tribute to that grand old man of the Republican Party, Mr. Butler, who was for many years chairman of the committee. I do not believe he ever let partisan thought affect his decisions with reference to the needs of the Navy or in studying the defense of his country. He was able and patriotic and had a splendid grasp of the Navy's affairs, and I found myself generally in accord with his views. I also served under Mr. Britton, who was as patriotic as Mr. Butler, and who actively and energetically did much toward building up the United States Navy. The eight Republicans on the committee at the present time are a fine body of men and they have patiently sat through the hearings and have worked with but one thought in mind, namely, the building of a navy that will be adequate for the defense of the country. Keeping these things in mind, it will be noted that this bill was reported favorably by a large majority of the members of the committee, including Democrats and Republicans. I bring this up to show the House that there is no partisanship in the Naval Affairs Committee of the House, and no partisanship has been brought into this question. The committee has sat as a body of Americans, all earnestly and patriotically striving to do what is best for the Navy and the country. There have been differences of opinion, of course, but those differences of opinion have been, I feel confident, conscientiously advanced by those who dissented from the views of the majority of the committee.

Making allowance for the confusion that has existed by reason of the factors above noted, I would like to analyze briefly the bill itself.

The purposes of the bill are set forth in the bill. It does not say anything about fortifying anywhere, any place. There is nothing about fortification in the bill. It reads:

That the Secretary of the Navy is hereby authorized to establish, develop, or increase naval aviation facilities.

That is the purpose of the bill.

Now, it seems to me if we can show to you, the Naval Affairs Committee, that we are following the purposes of this bill, then the bill will meet with your approval, regardless of what may be in the minds of some that are fearful or apprehensive of something that may happen in the future.

It carries an appropriation of \$53,800,000, and is directed solely to the construction of buildings and accessories in certain localities within the United States and its outlying possessions. I wish you particularly to note two things: First, that there is nothing warlike and nothing that could be construed as a warlike demonstration in any phase of the bill before you. It is simply to augment existing facilities in order to support the fleet, and this proposed development constitutes the minimum required for such support, according to the naval experts. Secondly, I feel that there should be particularly stressed the fact that we are developing our own bases on our own land for purposes of increasing our own naval facilities, and that there is no reason why we should feel called upon to consider any expressed interference on the part of any other nation in such development.

There is no need for us to ask permission of any other nation and no reason why we should get the consent of any other nation to develop our own naval facilities any more than that other nations should ask our consent in developing their naval facilities.

The United States is not a predatory Nation. We have never waged a war of aggression and I hope never will. We do not want any territory belonging to any other nation, and that has been the announced policy of this country for 150 years. Every war we have ever been engaged in has been in the defense of our people and their right of freedom throughout the world. In furtherance of this policy, we are developing our own property to ensure that freedom if any other nation should attempt to take it from us. The expenditure of the money involved in this development is to insure to the people of the country that it is adequately prepared to defend them against any aggressive forces.

This development becomes necessary at this time because our fleet has been increased, and it is essential that bases be created in order that the fleet may have adequate facilities for its operation in peacetime or in war. It would be a foolish policy to increase the fleet and then not give it facilities for its upkeep and maintenance. Some of the bases mentioned in this bill should have been developed years ago, but our policy has been to hold down the expense to a minimum, and most of the development up to this time has been in the enlarging of the fleet itself. Turn back the pages of our naval history and note that wonderful gesture of the United States at the Washington conference, when we gave up our naval superiority at that time in the hope that other nations would do the same and would join us in cutting down the tremendous cost of armaments throughout the world. At that time, by treaty, we agreed to a 5-5-3 ratio of battle-ships and aircraft carriers with Great Britain and Japan, and at the London Conference in later years, continued to make treaties for further limitation. Hoping that the other nations would follow our example, we neglected the building up of our fleet even to the strength permitted by the treaties. The other nations, however, did not follow our example, and we found ourselves upon the expiration of the treaties in a serious position. Then we began increasing our naval strength and we are still doing it, and I hope we will continue to do it until we feel that we are fully prepared to defend our people and our country. Even now, although the treaties have expired, we are only attempting to bring our fleet up to the strength which was agreed upon in the treaties, as if the treaties were still in existence. Surely no one, in the face of these facts, can point to the United States as being a disturbing factor in the peace of the world, and the inspired propaganda emanating from some countries against us should not blind our people to our own needs and the necessity for our own military preparedness.

There are 15 locations mentioned in this bill, of which, first, 5 are in the continental limits of the United States.

(1) Philadelphia, to provide for an aeronautical laboratory.

(2) Hampton Roads, to provide more land for the expansion of the present base on the Atlantic coast.

(3) Tongue Point, for the further development of that base on the Pacific coast.

(4) Pensacola, Fla., for the further development of aviation training facilities.

(5) Corpus Christi on the Gulf of Mexico, for which no money is provided, as the land has been given by that community.

Second, there are five localities where there are already some existing facilities in the outlying possessions—two in the Hawaiian Islands—two in Alaska, and one in Puerto Rico.

Third, there are five island possessions—small islands west and south of the Panama Canal and Honolulu, for the better development of the defense of the Canal and Hawaii, or, in other words, for the better defense of the United States. These include small islands where dredging and building construction will be the main work. Again let me repeat that all of these bases are necessary because the expansion



of the fleet has necessitated an increase in training-station facilities, industrial facilities at navy yards, and in all other branches of naval shore establishments. "The rapid expansion of shore facilities is a condition precedent to expansion of the forces afloat." I am quoting Admiral Leahy, Chief of Naval Operations, in his letter to the House of Representatives transmitting the draft of this proposed bill.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 additional minutes to the gentleman from Virginia.

Mr. DREWRY. Mr. Chairman, the last one of these five islands is Guam, which, strange to say, seems to be the only location that has aroused antagonism to any extent. The amount involved is only \$5,000,000 out of a \$53,000,000 authorization. The work to be done consists merely in the dredging of the harbor in order that some of the obstructions in the harbor may be removed, thereby lessening the danger to ships and to airplanes that might alight thereon. There is not one word in this bill—it may be in the minds of some people, but there is not one word in this bill—that in any way deals with fortification of the island of Guam.

The use to which this \$5,000,000 is to be put has been broken down and the cost of each thing has been given. I shall read it to you from the hearings, because it is very enlightening:

Breakwater.....	\$2,200,000
Dredging outer harbor mooring area.....	800,000
Dredging inner lagoon and connecting channel.....	1,070,000
Dike.....	120,000
Pier.....	120,000
Grading filled area.....	70,000
Seaplane ramps.....	120,000
Seaplane parking area.....	120,000
Sea wall.....	90,000
Gasoline storage.....	160,000
Power service.....	30,000
Water supply.....	50,000
Roads and walks.....	20,000
Small boat pier and boathouse.....	15,000
Equipment and storage shed.....	15,000
Total.....	5,000,000

I confess, Mr. Chairman, that I cannot get very much excited about this bill. It has been repeatedly stated that there is no intention at the present time of fortifying this island. There is nothing in the bill itself to show any intention of fortification. The President of the United States has been put on record as having stated there was no intention in his mind to ask for the fortification of it. The leading experts of the Navy and those in charge of naval operations have also stated there is no intention in their minds of fortifying the island.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield at that point?

Mr. DREWRY. I cannot yield.

Mr. BATES of Massachusetts. I just want to correct an error.

The CHAIRMAN. The gentleman declines to yield.

Mr. DREWRY. Certainly all of that would indicate that no fortification could be done, especially with such a small sum of money. There is nothing to indicate it. The confusion has been created by those who say that this expenditure of \$5,000,000 for the development of this harbor means eventually a large amount of money to be spent for fortification.

The only thing before this House is the question of whether we shall spend this \$5,000,000 for the purpose outlined in the bill. You cannot go forward into the future maybe 50 years and say that 50 years from now there may not be some kind of fortification. I do not know whether it will ever be fortified, but I feel that the President of the United States when he says there is no intention of fortifying the island means what he says; and I hope the time will never come when I do not believe any President of this country who makes a statement affecting the country's welfare.

So I cannot get very much excited about this cry of fortification.

It looks like a vain and futile thing to tilt against such a windmill. My view of it may not be worth very much to the House, but I think that as long as the island is a possession of the United States that we have the right to develop it as we see fit; that it is nobody's business but ours; that we are now developing it in a way to make the harbor safe for our airplanes and ships that enter therein, and that if in the future we desire to make other use of it Members of this House at that time will be fully apprised of what is intended to be done and they in their wisdom can then make a decision as to its fortification. At the present time the only decision necessary for you to make with reference to Guam is whether you wish to remove obstructions from the harbor for the better safety of our ships and airplanes.

There is no reason that I can see why there should be any objection on the part of Congress to the development of our naval facilities for the care and maintenance of our fleet as proposed in this bill. There is nothing in this bill that is provocative of war nor a warlike gesture. If anything, it is a gesture to peace, not war; for even the craziest aggressor would hesitate to attack us if he knew we were fully prepared to defend ourselves. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I am in favor of this bill to increase our naval aviation strength, our first line of defense, excepting that item which provides additional naval defense facilities for the island of Guam.

I concede that in a normal world the road where great armaments pass is not the ideal way to peace. However, we do not find a normal world around us. Nor in some quarters do we find a peace-loving world. We must acknowledge here that some of the great nations of the earth today know no other language but one of force, acknowledge no instrumentality but force in furthering national aspirations, accept and listen to no reasoning from others unless it be backed by power and force. Convinced of this world condition, I would vote, generally speaking, for a bill increasing our Navy defense facilities to a far greater extent than the bill here provides for. I believe in a broad and elastic interpretation of the term "national defense." I have never subscribed to the doctrine that we should circumscribe the activities of our Army, our Navy, or our air forces by outlining a zone beyond which these branches of our Government could not go if their commanders deemed it wise, in time of war or threat of war, to defend our country on far-flung lines. The Navy is our first line of defense and air strength is the right arm of the Navy.

Should war ever again come to us or should it ever be necessary for us to protect the shores of the United States by armed force or to protect the interest of the United States and its possessions anywhere, a sound national defense policy would require our naval forces to strike the enemy wherever strategically wise. It is an old and true axiom of war that "offense is often the best defense." If this country were in danger of invasion by a foreign power, the best defense would be to destroy the instrument of invasion wherever it can be reached, and that could only be done by our Navy. This line of action has been followed by our naval forces in every defensive war we have ever waged. John Paul Jones followed it; Decatur followed it; and Dewey followed it. It is folly to contend, as some have, that in time of defensive war we should endanger our national existence by dividing our defense forces over thousands and thousands of seacoast miles with a preponderance of strength nowhere—waiting for the enemy to strike.

I have ventured my conception of true national defense because I would not have it thought here that my objection to the fortification of Guam is based on the premise that we have no right to spend millions of dollars to build defense lines even that far from home, should it be for the best interest of our country to do so.

It is true that gentlemen of the Naval Affairs Committee contend that the Guam provision is only a harmless, nonmili-

tary item to improve normal harbor facilities for handling commercial aviation at one of our possessions. I shall not take the time to argue at length to the contrary. The fact that the item comes to us as part of a naval defense measure rather than through usual channels, and that expert testimony before the committee practically acknowledges this to be the first step in a plan to fortify Guam, disposes of that camouflage.

In a bill calling for so many millions of dollars for naval defense the five millions involved in the Guam naval aviation facilities proposal matters little, so far as the money is concerned. It, however, matters much should we realize that this authorization is only the entering wedge and the forerunner of millions and millions of other dollars to be asked of us in the years to come; and for what? To fortify a tiny island, 3,337 miles from our nearest naval base, making it impossible to defend it against an enemy in the East—to aggravate Japan—to satisfy Great Britain.

Now, let us look at the situation of Guam in relation to the United States. The Hawaiian Islands are 2,081 miles west of the United States. Guam is 3,337 miles beyond Hawaii, making Guam 5,428 miles from the United States. Let us consider this tiny island from the standpoint of military value to the United States in case of war with an eastern power. No high naval officer in the United States has contended that this island can be defended, even should we spend a hundred million dollars to strengthen it, should we get into a war with Japan, for instance. It is too far from any other American supply base.

Its defense in the name of national pride would call for sacrifices far out of line with the value of the island to us either in war or peacetime. The naval experts admit that the island could be defended only for a short time at best. Rear Admiral Arthur B. Cook, Chief, Bureau of Aeronautics, is reported to have testified to the committee that the proposed \$5,000,000 harbor development at Guam "will give the Navy an advanced scouting base to give the United States Fleet warning of an attack from Asia." Attacks from whom? Certainly not Great Britain and her possessions in that part of the world. There is no danger of Great Britain waging war against us. There is danger that she will drag us in as her ally should she have to fight. Is it Japan, the admiral fears? If so, he should know that Japan proper lies far to the north of Guam and any line of attack on the United States from that nation would probably be on a line 2,000 miles to the north of Guam and not through the many small Japanese-controlled islands to the south of Guam. There is no danger of attack from an Asiatic power by way of Guam.

Rear Admiral Moreell, Chief Civil Engineer of the Navy, is reported to have testified at the hearings that legislation was not actually necessary for the harbor improvements at Guam as the work could be carried on under general law. He declared that specific authority was asked as the "Navy decided to lay its cards on the table as to Guam." Now, why is this specific authority requested of Congress? Since when did high officials of the Navy Department begin the policy of requesting the advice of Congress on a matter of practical naval strategy when they already have authority by law to decide the question? Is it that Admiral Moreell has grave doubts himself as to the wisdom of the proposed improvements at Guam and that he realizes that the fortification of Guam will bring about a distinct change in the defense policies of the United States Navy, as well as probable changes in the foreign policy of this country.

The admiral as an engineer evidently knows that it is a fundamental of sound defense in wartime not to attempt to defend a vulnerable salient of defense lines when that salient is of no value tactically or otherwise. Guam forms such a salient among our possessions in the Pacific. When the Philippines are given their independence within a few years Guam will be our furthestmost outpost there. The only justification offered for spending this money on Guam, by the evidence, is that a dozen or two planes could be kept there for scouting purposes for a few days after declaration of war and possibly prevent the loss of a few cruisers.

Now, let us consider the plight of the Philippines in this Guam defense scheme. These islands lie 1,501 miles west of Guam. Under the act of 1934 independence will be granted to the Philippines in 1944. We had two reasons for guaranteeing independence to these people of these islands. First, we were morally obligated to do so. Second, we knew the islands could not be defended successfully by us in case of war with a strong power in the Far East. Fortification of Guam as a naval or air base can mean only one thing as to the Philippines, and that is repeal, sooner or later, of the Philippine independence law. Guam cannot stand alone as an American possession in that part of the Pacific. Doubt as to our ability to defend the Philippines against Japan, with the natural defense advantages of these islands, should convince that we could not defend Guam. It is conceivable that we might lose hundreds of millions of dollars in defense equipment and thousands of lives in the name of national pride and honor should we embark on a course leading toward fortification of this island. Guam is of value to us only as an air station in time of peace. In time of war with a great power in the east, that value would cease to exist.

Ladies and gentlemen, it behooves us before voting for the first step leading toward the fortification of Guam to look around us for the source of the movement. As for myself, I can see the fine hand of Great Britain behind the scene. Britain knows there is no danger of war between that great kingdom and the United States—we have too much in common. Britain knows that we want none of her great possessions to the south of Guam. Britain realizes that on account of Japanese encroachment in southern China, and her resulting strained relations with that country, it would be to Britain's advantage for the United States to build a screen of fortifications between Japan and Australia, New Zealand, Singapore, and her other island possessions to the south.

But, mark you, should warlike activities on our part in that sphere of the world bring on trouble with Japan, Britain would run out on us, as she did when a previous administration here sought her hand in protesting against the rape of northern China by Japan—unless it were for the selfish interest of Britain to act otherwise. The whole history of Great Britain teaches us that Britain always acts, in war and in peace, for Britain first and the welfare of the world afterward. The British are great at persuading us to pull chestnuts out of the fire for them. I admire their astuteness along this line. If we fall for their subtle influence in this Guam proposal they are not to be condemned—but we are certainly not to be praised.

Let me say here, lest I be misunderstood, I admire the British people, I admire their democratic institutions, I admire their contributions to civilization, I admire their tenacity of purpose—I do not hesitate even to go so far as to say that, second to this great country, I would rather live under British laws and in the British atmosphere than elsewhere. I admit that should we be ever again drawn into another world war, and God forbid, we would inevitably be lined up with the democracies, of which England is one. But I protest against the fatalistic un-American doctrine now being built up by British influence and through British inspired propaganda, particularly among our high naval officials, that America must fight on Britain's side in any war in which that empire may become involved. We already hear more agitation in this country for the defense of Great Britain than is heard in British dominions. It is incumbent on Britain and British possessions to make that empire their first line of defense. They have the wealth, the resources, and the manpower to defend themselves.

It behooves the British Empire, which owns or controls one-fourth of the land upon the face of the earth and 40 percent of the basic raw materials of the earth, whose flag flies over 500,000,000 people, to defend her own.

Mr. Chairman, this bill is supposed to be a United States defense measure, not a defensive alliance with Great Britain or any other foreign power. This bill pretends to be in accord with the philosophy of the Monroe Doctrine in the Western Hemisphere, but with the Guam provision in it,



it advertises to the world that we wish to become a military power in the East. It proposes to prepare our Navy only for defense but, with the Guam provision in it, it suggests imperialistic designs on our part. It proposes to improve facilities at Guam as a defense measure, but at the same time establishes a salient in our defense line that cannot be defended, when considered from purely American defense standpoint.

The proposal should be stricken from the bill and at the proper time I hope to have the privilege of presenting an amendment to that effect. [Applause.]

Mr. CHURCH. Mr. Chairman, I yield to the gentleman from Michigan [Mr. SHAFER] such time as he may desire.

Mr. SHAFER of Michigan. Mr. Chairman, in dealing with this proposed \$5,000,000 expenditure on the island of Guam, we are dealing with a fundamental question of our friendly relations with the Japanese nation. In the present state of world affairs, events and incidents assume exaggerated and distorted proportions.

Mr. Chairman, the world is jittery. The fear of war is everywhere. Suspicions between nations are rampant. Rivalries are intense. Under such conditions as these an action, an event, or even an incident which at another time might be of small consequence or importance may at this time be sufficient to frighten some nation into an overt move that may lead to another world war.

The state of international affairs today is much like the state of mind of a group of children on Hallowe'en when the talk is all of ghosts and goblins. At a certain point of psychological strain, under such conditions, it merely requires that someone cry "ghost" to produce panic. This state of mind, even in the United States, was proved by a recent radio broadcast by a youthful actor which threw the whole eastern seaboard into a welter of fear and panic, simply because the purely fictional broadcast was so realistic that hundreds of thousands of people were frightened half out of their wits by the reported attack by men from Mars.

It is in that category of alarming and dangerous developments that this project for the island of Guam falls. In considering this proposition I think we would do well to glance briefly at the historical background and see, if we can, what impression such a move would produce on Japan.

Europe is already highly nervous over our policy of selling our most modern airplanes to England and France. The latest statement by the President that he may have to curtail his pleasure jaunt in the Caribbean because of the seriousness of advices he has received from Europe concerning the possibility of new aggressions, or a war, has produced tremors throughout the length and breadth of Europe. We, in this country, are without any knowledge of the reasons prompting this alarming statement by Mr. Roosevelt. Reports from Europe since the President made his statement indicate that they, too, are in the dark as to what could have prompted such a startling declaration on the part of our Chief Executive.

I cite this incident to show the danger of unwise talk or unwise acts at a time like this.

It seems to me that we can learn much by a brief review of the relations between this country and Japan over the past several years.

For some 15 years prior to the Washington conference of 1921-22 the relations between this country and Japan were undergoing, from time to time, periodic strains. There was a good deal of anti-Japanese agitation in California. The immigration question irritated Japan. Commercial rivalry between America and Japan in Manchuria was another source of irritation to both nations. Japanese threats against the open-door policy in China provided a vast amount of material for friction, which occasionally broke out into serious controversies. Writing on this subject in his *Navies and Nations*, 1927, page 152, Hector C. Bywater, the British naval expert, quoted Franklin D. Roosevelt as saying:

Outside the executive departments at Washington it has never been known in this country that during 10 nervous days in the early summer of 1908 the United States hovered on the edge of an ultimatum from Japan.

Before and after the World War there was much saber rattling, jingoistic threatening, and alarmist talk of war with Japan. The Magdalena Bay incident of 1911-12 created widespread fears in this country of an intended Japanese penetration into Lower California. The presence of Japanese warships in Turtle Bay, in the same region, at the time of Japan's presentation of the 21 demands upon China in 1915, was viewed as a highly suspicious circumstance in this country. After the World War Japanese-American relations were kept at high tension by controversies over Shantung and other Pacific questions.

Our distrust of Japan was marked in 1919 by the organization of a Pacific fleet made up of the strongest squadrons of the United States Navy, and by preparations to develop a great naval fortress at Hawaii. Japan reacted to these moves by adopting in 1920 a naval building program designed to give her a fleet equal or superior in strength to that of the United States. Bywater, whom I quoted a moment ago, regarded war between this country and Japan as "more imminent in 1921 than was generally realized."

This writer outlined many serious differences which existed between the United States and Japan on various questions, including the treatment of Japanese nationals in the United States, the status of certain former German-owned islands in the Pacific, the open door in China, and, most importantly, the proposed development of naval bases in the western area of the Pacific Ocean. Japan all this time was trying desperately to keep pace with our naval expansion and was struggling grimly under the heavy financial burden which this policy involved. Reserves of coal and oil fuel were being accumulated at naval ports. Shipyards and munition plants were being expanded by aid of Government subsidies. The Japanese, as Bywater pointed out, were going to modernize their coast defense system and fortify new bases at outlying islands.

The only conclusion we can reach, Mr. Chairman, from these extensive preparations is that Japan anticipated war with us in the then near future. This British naval authority expresses his belief that Japan would have made the beginning of work on new American bases at Manila and Guam a cause for war. Many other observers who were in the Far East at that time believed the same thing.

It was while this state of mutual suspicion, affecting Great Britain as well as the United States and Japan, existed that the Washington Conference assembled in November 1921.

At that conference a singular and significant situation developed. The plan for drastic reduction and limitation of naval strength proposed to the conference by Secretary of State Charles Evans Hughes embraced only ships. The Japanese delegation instantly brought up the question of naval bases. They argued that bases were as necessary to naval power as ships and insisted that bases should also be restricted. The late Baron Kato, principal Japanese delegate, took the attitude that unless such restrictions of bases were applied in the Pacific, Japan could not accept any proposed reduction of her naval forces. It is now known that when Japan raised the question of bases, her delegates had specifically in mind the projected American bases at Guam and Manila. It has since been said, unofficially, that the Japanese demand for neutralization of these and other Pacific Fleet harbors met with such resistance from the American naval experts that a deadlock almost resulted. Rather than have the conference fail, the United States yielded on the question of Pacific bases. Japan then consented to limit her strength in capital ships to 60 percent of that of the United States and Great Britain.

The clause covering naval bases was made a part of the treaty for limitation of naval armaments signed on February 26, 1922. Under article XIX of the agreement, the United States, the British Empire, and Japan agreed to maintain the status quo at the time of the signing of the treaty, so far as fortifications and naval bases in certain areas were concerned. This status quo was defined as meaning that no new fortifications or naval bases would be established in certain territories and possessions specified in the agreement; that no efforts would be made to increase the existing naval

facilities for repair and maintenance of naval forces; and that no increase would be made in the coast defenses of those territories and possessions.

I will not take the time now to go into a description of those areas, but suffice it to say the United States retained freedom of action at Hawaii but abandoned the right to build up defenses in the Philippines, Guam, and the Aleutian Islands. Singapore, where Britain later developed a great naval base, was just west of the barred zone. The Bonin Islands, 800 miles north of Guam, did lie within the areas embraced in the treaty, but Japan had already completed certain fortifications there before the Washington Conference convened.

No reference was made in article XIX to the former German islands in the Pacific which were assigned to Japan under a League of Nations mandate in 1920.

Elimination of the naval rivalry, together with the settlement of far eastern political questions through the signing of the Washington Armament Limitation Treaty and the Nine Power Treaty, brought an end to the Japanese war scare in the United States. Except for an incident concerning immigration in 1924, the relations between our Nation and Japan were on a friendly basis until Japan began her offensive on the mainland of Asia in 1931. Her action was in disregard of the Nine Power Treaty and upset the balance in Pacific affairs that had been obtained. The failure subsequently to renew the naval treaty restored the old situation existing before the Washington Conference. Our relations with Japan became seriously disturbed as Japan moved to establish control over China. There the situation stands today.

Mr. Chairman, we must not forget that Great Britain has a very keen interest in this whole question, and any fortification of the island of Guam may mean as much to the British as it does to us. It will be recalled that after attempts to bring about a new naval limitation treaty failed because of Japan's determination to have parity with the United States and Great Britain the British Government showed clearly its interest in restricting the southward extension of Japan's naval power. The British sounded out both Washington and Tokyo on a proposal to retain the fortification agreement regardless of the expiration of the other provisions of the Washington Treaty. Neither the United States nor Japan would agree to this. It is clear from certain expressions by leading Japanese that the Japanese Government was not at that time disturbed by any prospects of new foreign bases in the western Pacific. Admiral Nomura, a member of the Japanese delegation at the Washington Conference, is said to have written, in January 1935, that—

World conditions being what they are, I personally cannot consider it very probable that any power would proceed today to build up a huge base in the Orient.

Nomura observed at that time that the United States, since her adoption of the Monroe Doctrine, had made known plainly to all the world that she objects to the establishment of new military or naval bases by foreign powers in her proximity and desires that those already in existence should be limited or reduced.

It was clear that Nomura did not consider it within the bounds of reason that the United States would attempt to contest the balance of power with Japan in her own back yard by constructing huge military establishments, even though she had the right to do so.

Now, Mr. Chairman, with this background, it is not difficult for us today to see that Japan would regard as an unfriendly move the establishment of a great American naval base at Guam. The island of Guam lies almost in the center of the Japanese mandate area. If we do begin to fortify Guam and set up a great base there, we must expect that the Japanese will meet what they would consider a threat by the construction of Japanese defenses in the mandated islands, notwithstanding any treaty commitments to the contrary.

Japan has made it clear that she has no intention of relinquishing these mandated islands, although she resigned from the League of Nations in 1935 and refused to attend the last meeting of the Mandates Commission in November 1938.

Should this situation develop in the way I have outlined, we would at once find ourselves in a nerve-straining race for naval rivalry practically at Japan's back door. Out of such situations grow war.

During the time since the Washington conference we have built up a great naval base at San Diego. It has become the principal operating base for the Navy on the west coast. We have improved the older bases in San Francisco Bay and Puget Sound. Great developments have been carried out at Pearl Harbor in Hawaii, where we have expended approximately \$130,000,000 since 1920. We now have several major air bases on the Pacific coast.

The program recommended by Admiral Hepburn provides for 25 naval air bases, 15 of which would be in the Pacific area.

The creation of the proposed air bases, as I understand it, under the Hepburn plan, would establish an American defense line in the Pacific extending in a wide arc from the Aleutian Islands, 2,000 miles north of Hawaii, through Wake Island, 2,000 miles west of Hawaii, to Palmyra Island, 1,000 miles south of Hawaii.

If a base were set up on the Samoa Island, the line would be carried another 1,000 miles south of Hawaii.

The naval experts say that the Wake Island project would make possible defense operations 2,000 miles west of Hawaii. Now, Mr. Chairman, the island of Guam lies still 1,000 miles farther west and is only 1,500 miles from Manila, 1,400 miles from Yokohama, and 800 miles from the Bonin Islands.

The Hepburn Board, in describing the strategic possibilities of Guam, said:

The island is well adapted to the maintenance of an air force equal or superior to any similar hostile force that could be assembled in a radius of twelve hundred miles.

Its natural facilities for development of a submarine base are excellent.

Even without command of the sea extending westward of Midway, the air and submarine strength of the island could be reinforced.

The island could only be reduced or occupied by an enemy through landing operations supported by naval surface operations on a large scale. Hostile air attack alone could produce no decisive effect, and against defenses of the character mentioned (antiaircraft and coast defenses) would be likely to incur heavy and unrequited losses.

So long as Guam existed as a strong air and submarine base, hostile operations against the Philippines would be a precarious undertaking.

The sum of \$5,000,000, which we are asked to authorize for the work at Guam, would be expended, we are told, over the next 3 years for harbor dredging, construction of a breakwater, building of hangars, shops, and barracks.

Admiral Leahy, Chief of Naval Operations, has testified that the construction of the air and submarine base recommended by the Hepburn Board would cost \$80,000,000. Admiral Hepburn has said the conversion of Guam into an advance fleet base would cost \$150,000,000.

Now, Mr. Chairman, let us look this situation squarely in the face. The establishment of any great naval base on the island of Guam would constitute a direct and continuous threat to Japan. If the \$5,000,000 we are asked to expend on the island of Guam will not accomplish anything in the way of its fortification, is it worth the danger we would incur of arousing new hatreds and suspicions in Japan which might impel her to begin the construction of fortifications in the mandated islands, which would, in turn, compel us to begin immediately the construction of a \$150,000,000 fortification on the island of Guam, together with other expensive fortifications and bases in the Philippine Islands?

We might just as well have some plain talk about this matter now. This whole question hinges on whether or not we intend to keep the Philippine Islands as a Territorial possession or a protectorate, and whether or not we intend to try to put ourselves in a position of defending those islands against an attack by the Japanese if war between the United States and Japan should ensue.

We are approaching this whole question along dangerous lines. We are going about this whole thing in a way to bring about grave misunderstandings and to give Japan a justified suspicion of our future intentions toward her.



Japan has argued, and not without logic, that our Monroe Doctrine is the very basis for her desire to hold any foreign powers away from her shores. Certainly we cannot argue that the zone of the Monroe Doctrine extends to the islands of Guam and the Philippines.

I have no more sympathy with the Japanese invasion of China than anybody else in this House. But so far as that question is concerned, Japan has made clear her intentions of controlling China; and if we object to that, if we do not want the open door slammed in our face, then, Mr. Chairman, we can prepare to go to war, because that is what we will have to do. If, on the other hand, the American people do not want to go to war over the Japanese invasion of China and if, as I believe they do, our people want to stay at home and mind their own business as long as possible, then we must consider well what it will mean if we embark on a policy of spending money on the island of Guam or in the Philippines, no matter whether we use the excuse of civil aviation or not.

Now, what are we going to do with the Philippine Islands? Are we going to retain them as a Territorial possession and undo the autonomy that has already been granted them? Or are we going to exercise a protectorate over those islands far into the future? If we are going to exercise such a protectorate, do we intend to prepare to defend them against any assault by Japan? If we do, we can prepare to spend plenty of money in fortifications and naval bases, provided Japan is not frightened into striking before we can establish such fortifications and bases.

We should decide all of these questions before we spend \$5,000,000 to begin what actually will be improvements on the island of Guam that would have some military significance.

If we are ready to arouse these suspicions in Japan, if we are ready perhaps to frighten Japan into a race in naval bases in the area of the mandated islands, if we are ready to undertake the protection of the Philippine Islands—which some of our military and naval authorities believe we could not protect for a month without enormous expense and far-flung naval operations—then go ahead and spend this money on the island of Guam. If we are not ready to incur those risks, then, whether Great Britain desires it or does not desire it, we ought not to spend this money on the island of Guam.

As a military improvement, or a naval advantage, the spending of \$5,000,000 at Guam is meaningless. As a gesture, looking at it from the Japanese viewpoint, it is highly dangerous.

I, for one, am not ready to take the risks, and I think this proposal should be defeated. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, had come to no resolution thereon.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DISNEY (at the request of Mr. BOREN), indefinitely, on account of illness.

To Mr. MOUTON (at the request of Mr. DEROUEN), for 10 days, on account of illness in family.

To Mr. WOODRUFF of Michigan (at the request of Mr. MAPES), for 1 day, on account of illness.

To Mr. DIES (at the request of Mr. LUTHER A. JOHNSON), indefinitely, on account of illness.

#### EXTENSION OF REMARKS

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing one of my

own speeches delivered on the floor of the House in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SIROVICH]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill now pending before the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 303. An act for the relief of the Ocilla Star; to the Committee on Claims.

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia; to the Committee on the District of Columbia.

S. 463. An act for the relief of the Fitzgerald Leader; to the Committee on Claims.

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.; to the Committee on Claims.

S. 1315. An act for the relief of the Corbitt Co.; to the Committee on Claims.

#### ADJOURNMENT

Mr. VINSON of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, February 22, 1939, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON WAYS AND MEANS

Public hearings will continue Wednesday morning, February 22, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, February 22, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

##### COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m., Wednesday, February 22, 1939.

##### COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in room 429, House Office Building, at 10:30 a. m., Thursday, February 23, 1939, on H. R. 2990, a bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

##### COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

##### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Wednesday, February 22, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Wednesday, February 22, 1939, on H. R. 3576 will deal particularly with legisla-

tion necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

457. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 23, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of the Miami and Erie Canal, Ohio, including a branch canal connecting the Miami and Erie Canal with Lake Michigan, and such other routes between Lake Erie and the Ohio River as may be considered practicable by the Chief of Engineers, with a view to securing a channel 12 feet in depth with suitable widths, or such other dimensions as may be considered practicable, including any recommendation for cooperation on the part of local interests, and waterway from a point at or near Erie Harbor, Pa., by way of French Creek and the Allegheny River, to the Ohio River, authorized by the River and Harbor Acts approved March 2, 1919, and September 22, 1922 (H. Doc. No. 178); to the Committee on Rivers and Harbors and ordered to be printed, with 60 illustrations.

458. A letter from the Secretary of Agriculture, recommending the enactment of legislation to authorize the delegation of certain authority within the Department; to the Committee on Agriculture.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 3134. A bill to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1933; without amendment (Rept. No. 80). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever; without amendment (Rept. No. 81). Referred to the House Calendar.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 649) granting a pension to Charles E. King; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 650) granting a pension to John Powell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 672) granting a pension to Jesse F. Crawford; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H. R. 4361. A bill to prevent the use of the words "U. S.," "United States," or either of them, in trade names or private business; to the Committee on the Judiciary.

By Mr. CANNON of Florida:

H. R. 4362. A bill providing for an examination and survey of channel and harbor at Everglades, Collier County, Fla.; to the Committee on Rivers and Harbors.

By Mr. COX:

H. R. 4363. A bill to amend section 13 of the Fair Labor Standards Act of 1938, approved June 25, 1938; to the Committee on Labor.

By Mr. DARDEN:

H. R. 4364. A bill to extend the time for filing claims for refunds of amounts collected under the Agricultural Adjustment Act; to the Committee on Ways and Means.

H. R. 4365. A bill for adjustment of compensation of civilian apprentices employed in navy yards and naval stations of the United States and its possessions from July 1, 1932, to June 30, 1934; to the Committee on Naval Affairs.

By Mr. THOMAS F. FORD:

H. R. 4366. A bill to authorize the payment of additional compensation to special assistants to the Attorney General in the case of the United States against Doheny executors; to the Committee on the Judiciary.

By Mr. HEALEY:

H. R. 4367. A bill to protect American and Philippine labor and to preserve an essential industry, and for other purposes; to the Committee on Ways and Means.

By Mr. LUTHER A. JOHNSON:

H. R. 4368. A bill to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, for the purpose of requiring the use of a domestic product, and for other purposes; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 4369. A bill for the admission to citizenship of aliens who came into this country prior to February 5, 1917; to the Committee on Immigration and Naturalization.

By Mr. KELLER:

H. R. 4370. A bill authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT:

H. R. 4371. A bill relating to the surtax on undistributed profits with respect to certain cooperative associations for the taxable years 1936, 1937, and 1938; to the Committee on Ways and Means.

By Mr. MURDOCK of Utah:

H. R. 4372. A bill to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. PACE:

H. R. 4373. A bill to provide for the national defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the military forces and the civilian population in time of a national emergency, and for other purposes; to the Committee on Military Affairs.

By Mr. WHELCHER:

H. R. 4374. A bill to reimburse the National Guard of the State of Georgia for the loss of certain land formerly used



as a rifle range and camp, and for other purposes; to the Committee on Military Affairs.

By Mr. GEARHART:

H. R. 4375. A bill to amend section 116 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. ALLEN of Illinois:

H. R. 4376. A bill to amend the National Labor Relations Act by defining the term "agricultural laborer"; to the Committee on Labor.

By Mr. SHAFER of Michigan:

H. R. 4377. A bill to provide that the Government shall supply uniforms to all employees who are required to wear them while performing their official duties; to the Committee on Expenditures in the Executive Departments.

By Mr. PACE:

H. R. 4378. A bill to amend title I, title II, and title IV of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, relating to the promotion of more secure occupancy of farms and farm homes, the correction of the economic instability resulting from some present forms of farm tenancy, and for other purposes; to the Committee on Agriculture.

By Mr. SHAFER of Michigan:

H. R. 4379. A bill for the relief of the Augusta Public School District, Augusta, Mich.; to the Committee on Claims.

By Mr. GEHRMANN:

H. Res. 101. Resolution to make H. R. 70, a bill to provide for liquidating and refinancing of agricultural indebtedness, a special order of business; to the Committee on Rules.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 7 with reference to the Lewis and Clark highway; to the Committee on Roads.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 4380. A bill for the relief of Ernest Clinton and Frederick P. Deragisch; to the Committee on Claims.

By Mr. BATES of Massachusetts:

H. R. 4381. A bill for the relief of the estate of William W. Dutcher; to the Committee on War Claims.

By Mr. CELLER:

H. R. 4382. A bill for the relief of Bluma Sakin Silberstein; to the Committee on Immigration and Naturalization.

H. R. 4383. A bill for the relief of Dora Zlotnick; to the Committee on Immigration and Naturalization.

By Mr. CURLEY:

H. R. 4384. A bill for the relief of Wilhelm August Schlittenhardt; to the Committee on Immigration and Naturalization.

By Mr. DARDEN:

H. R. 4385. A bill for the relief of John Philip Knecht, Sr.; to the Committee on Naval Affairs.

H. R. 4386. A bill for the relief of George T. Easton; to the Committee on Claims.

H. R. 4387. A bill granting a pension to Constance Eager; to the Committee on Pensions.

By Mr. HARE:

H. R. 4388. A bill for the relief of James Henry Rigdon; to the Committee on Claims.

By Mr. HART:

H. R. 4389. A bill for the relief of James Havey; to the Committee on Claims.

By Mr. KITCHENS:

H. R. 4390. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Herbert M. Gregory; to the Committee on Claims.

By Mr. THOMAS S. McMILLAN:

H. R. 4391. A bill for the relief of H. W. Hamlin; to the Committee on Claims.

H. R. 4392. A bill for the relief of Spring Street Methodist Episcopal Church South, of Charleston, S. C.; to the Committee on War Claims.

By Mr. SECREST:

H. R. 4393. A bill granting a pension to Thomas J. McWilliams; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee:

H. R. 4394. A bill granting a pension to James G. Bailey; to the Committee on Invalid Pensions.

H. R. 4395. A bill granting an increase of pension to Charles Payne; to the Committee on Invalid Pensions.

H. R. 4396. A bill granting a pension to Charles Farris; to the Committee on Pensions.

By Mr. WOODRUM of Virginia:

H. R. 4397. A bill for the relief of Bertha E. Richardson; to the Committee on Claims.

H. R. 4398. A bill for the relief of Johnny R. Cole; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1244. By Mr. HANCOCK: Resolution adopted by the Onondaga County Pomona Grange, North Syracuse, N. Y., favoring a fact-finding commission to study monetary policies; to the Committee on Banking and Currency.

1245. By Mr. HARNES: Petition of the Order of Railway Conductors of America, Atlantic Division, No. 120, Huntington, Ind., protesting against any Federal legislation designed to regulate the miles or hours of men in train and engine service on the railroads of the United States; to the Committee on Interstate and Foreign Commerce.

1246. Also, petition of the railway trainmen of Frankfort, Ind., who are members of various branches of the brotherhoods, asking for passage of House bills 2298 and 2313, providing for voluntary retirement of railway employees at the age of 60; and mandatory retirement at the age of 65, with certain exceptions; to the Committee on Ways and Means.

1247. By Mr. HARTER of New York: Petition of the Women's International League for Peace and Freedom, Buffalo division; to the Committee on Appropriations.

1248. By Mr. MARTIN J. KENNEDY: Telegram from the chairman of the New York County executive committee of the American Labor Party, urging the appropriation of \$150,000,000 asked for by the President for Works Progress Administration in view dire need of millions unemployed American citizens; to the Committee on Appropriations.

1249. Also, resolution passed by the Railway Mail Association, New York City Branch, second division, requesting that hereafter substitutes in the Postal Service shall be rated as employees and be given the same rights and benefits that accrue to regular employees in proportion to the time actually employed; to the Committee on Appropriations.

1250. By Mr. KEOGH: Petition of the Eastern Arts Association, New York City, concerning the McGranery bill (H. R. 2319) for the establishment of a Division of the Arts in the Office of Education, Department of the Interior; to the Committee on Appropriations.

1251. By Mr. KRAMER: Resolution of the Los Angeles County Committee of Young Democratic Clubs, relative to the impeachment proceedings against the Secretary of Labor, etc.; to the Committee on the Judiciary.

1252. Also, resolution of the Los Angeles County Committee of Young Democratic Clubs, relative to proposed changes in the Wagner Labor Act; to the Committee on Labor.

1253. Also, resolution of the Board of Harbor Commissioners of the City of Los Angeles, relative to the opposition of Senate Joint Resolution No. 24; to the Committee on the Public Lands.

1254. By Mr. LESINSKI: Resolution of Melvindale (Mich.) Works Progress Administration Auxiliary, urging the additional appropriation of \$150,000,000 to maintain the Works

Progress Administration after April 1; to the Committee on Appropriations.

1255. By Mr. PFEIFER: Petition of the New York State Waterways Association, Albany, N. Y., concerning the Lea bill (H. R. 2531); to the Committee on Interstate and Foreign Commerce.

1256. By Mr. REES of Kansas: Petition of the Chamber of Commerce of Lehigh, Kans., together with other citizens; to the Committee on Labor.

1257. By Mr. RICH: Petition of citizens of McKean County, Pa., proposing that Frances Perkins, Secretary of Labor, be replaced by a man with suitable qualifications to properly fulfill the duties of Secretary of Labor, because the petitioners feel that labor should have representation in the Cabinet second to none; to the Committee on Labor.

1258. By Mr. SCHAEFER of Illinois: Petition of N. L. Phillips of East St. Louis, Ill., and others, suggesting Federal regulation of mileage as a method of returning thousands of railroad employees to their jobs; to the Committee on Interstate and Foreign Commerce.

1259. Also, petition of the Washington County Trades and Labor Assembly, Langley E. Wade, secretary, Nashville, Ill., requesting Congress to adopt amendments to the National Labor Relations Act as proposed by the American Federation of Labor; to the Committee on Labor.

1260. By the SPEAKER: Petition of the Methodist Church of Elkhart, Ill., petitioning consideration of their resolution with reference to eliminate color and racial tests from the immigration and naturalization laws of the United States; to the Committee on Immigration and Naturalization.

## SENATE

WEDNESDAY, FEBRUARY 22, 1939

(Legislative day of Monday, February 20, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister of the Covenant First Presbyterian Church, Washington, D. C., offered the following prayer:

*Seek ye the Lord while He may be found; call ye upon Him while He is near. Let the wicked forsake his way and the unrighteous man his thoughts, and let him return unto the Lord, for He will have mercy upon him, and to our God, for He will abundantly pardon.*

Let us pray.

O merciful Father, who in compassion for Thy sinful children didst send Thy Son, Jesus Christ, to take away the sin of the world, we join with our fellow believers everywhere on this Ash Wednesday in humbling ourselves before Thee. Grant us grace to acknowledge and lament our share in the evil that besets this unhappy world today. Help us by self-denial, prayer, and meditation to prepare our hearts for a deeper penitence and a better life.

And now upon this day, dedicated to the first President, we remember in gratitude those who with him fashioned our Government and established for our state the foundations of civil and religious liberty. We bless Thee for the glorious heritage of faith and freedom. Help us to be true to the great ideals for which they stood, and may our country ever be the home of justice, liberty, and true brotherhood, and may the President of the United States and these Thy servants, and all our citizenry, hear in the memory of the one whose name we honor today the strongest summons to be good and true.

This we ask in Jesus' name. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 21, 1939, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Caloway, one of its reading clerks, announced that the House

had passed a bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, in which it requested the concurrence of the Senate.

### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Russell
Andrews	Donahey	King	Schwartz
Ashurst	Downey	La Follette	Sheppard
Austin	Ellender	Lee	Shipstead
Bailey	Frazier	Logan	Smathers
Bankhead	George	Lucas	Stewart
Barbour	Gibson	Lundeen	Taft
Barkley	Gillette	McKellar	Thomas, Okla.
Bone	Glass	McNary	Thomas, Utah
Borah	Green	Mead	Tobey
Bridges	Guffey	Miller	Truman
Brown	Gurney	Minton	Tydings
Bulow	Harrison	Murray	Vandenberg
Burke	Hatch	Neely	Van Nuys
Byrd	Hayden	Norris	Wagner
Byrnes	Herring	Overton	Walsh
Capper	Hill	Pepper	Wheeler
Chavez	Holman	Pittman	White
Clark, Idaho	Holt	Radcliffe	Wiley
Connally	Hughes	Reed	
Danaher	Johnson, Calif.	Reynolds	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

The Senator from Illinois [Mr. LEWIS] is unavoidably detained.

Mr. WALSH. I announce that my colleague the junior Senator from Massachusetts [Mr. LODGE] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

### READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under an order made by the Senate in 1901, the Chair has designated the Senator from Ohio [Mr. TAFT] to read George Washington's Farewell Address on this day. If the Senator from Ohio will approach the desk and perform that duty, the Senate will be obliged to him.

Mr. TAFT advanced to the desk and read the Farewell Address, as follows:

*To the people of the United States.*

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and